

# **Comprehensive Annual Financial Report**



**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT  
NO. 427  
Sycamore, Illinois**

**For the fiscal year ended  
June 30, 2016**



**SYCAMORE COMMUNITY UNIT  
SCHOOL DISTRICT NO. 427  
Sycamore, Illinois**

**Comprehensive Annual Financial Report**

**Fiscal year ended  
June 30, 2016**

**Prepared by:  
Business Office  
Nicole Stuckert  
Chief Financial Officer/  
Chief School Business Official**



**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**

Comprehensive Annual Financial Report

June 30, 2016

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## **INTRODUCTORY SECTION**



**Administration Offices**  
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**syc427.org**

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CFO/CSBO  
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Lynn Reilley  
Director of Special  
Education  
815-899-8117  
fax: 815-899-8127

November 21, 2016

President and Members of the Board of Education, and  
Citizens of Sycamore Community Unit School District #427  
Sycamore, IL 60178

The Comprehensive Annual Financial Report of the Sycamore Community Unit School District #427, Sycamore, Illinois, for the fiscal year ended June 30, 2016, is hereby submitted. The report was prepared by the Chief Financial Officer/Chief School Business Official with assistance from the Business Office staff. The audit was completed on September 23, 2016, and the report was subsequently issued.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data as presented is accurate in all material aspects and is reported in a manner designed to fairly set forth the financial position and results of the operations of the District, as shown by the disclosure of all financial activity of its various funds. All disclosures necessary for the reader to gain an understanding of the District's financial status are incorporated into the report. Additional discussion and analysis of the financial performance of the Sycamore Community Unit School District #427 are included in the Management's Discussion and Analysis.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the Independent Auditor's Report, Management's Discussion and Analysis, Basic Financial Statements, Notes to the Financial Statements, and the General, Major Special Revenue Funds, Combining, and Individual Fund Financial Statements and Schedules. The Statistical Section includes selected financial and demographic information generally presented on a multi-year basis. The introductory and statistical sections have not been audited.

## **General District Information and History**

Sycamore Community Unit School District #427 is located in DeKalb County, approximately seventy (70) miles west of Chicago, Illinois. The City of Sycamore is the County Seat of DeKalb County. DeKalb County has a long history associated with agriculture and agriculture related industries. Within the past twenty years, the County and the Sycamore School District have undergone a change from a quiet rural area to an extended far-western suburb of the City of Chicago. Whereas the majority of Sycamore citizens in the past earned their living primarily through agriculture, now many of the citizens work in the Fox Valley suburbs or commute to the City of Chicago for their livelihood.

The Sycamore School District consists of seven school buildings, an administration center, a transportation facility, and a warehouse distribution center. The seven schools include five elementary schools, a middle school for students in grades six through eight, and a senior high school. Interestingly, the District also owns one additional building known as the North Grove School, which is one of only two one-room schoolhouses remaining on its original site in Illinois. Built in 1886, it is the oldest school building in the Sycamore District, and the facility is listed on the National Historical Register. The District leases this building to the North Grove School Association for one dollar a year, while the North Grove School Association maintains the facility. In an effort to maintain its connection with the rural history of Sycamore and DeKalb County, the Board of Education named the most recently constructed elementary school after the original North Grove School. A summary of the school buildings is shown below:

<b>Year Built</b>	<b>Facility</b>	<b>FY16 Enrollment</b>	<b>FY17 Projected Enrollment</b>
1959	High School	1,195	1,195
1978	Middle School	910	910
2009	North Grove Elementary	453	453
1997	South Prairie Elementary	284	284
1969	North Elementary	286	286
1952	West Elementary	274	274
1951	Southeast Elementary	333	333

The District employs 520 employees and is the largest employer in the City of Sycamore. Of these employees, 16 are administrators, 278 are certified staff, and 226 are non-certified staff.

The District is governed by an elected seven member Board of Education. The governing power of the Board of Education is codified in The School Code of Illinois. As the governing body of the School District, a Board of Education:

- Has the corporate power to sue and be sued in all courts;
- Has the power to levy and collect taxes on property and to issue bonds;
- Can contract for appointed administrators, teachers, and other personnel, as well as for goods and services.

The Superintendent is the Chief Executive Officer of the District and is directly responsible to the Board of Education for all the operations of the District.

The Chief Financial Officer/Chief School Business Official is also the District's Treasurer. The Chief Financial Officer/Chief School Business Official reports directly to the Superintendent. As the District's Treasurer, the Chief Financial Officer/Chief School Business Official is directly responsible for all financial operations, investments, and custody of all District funds and assets.

## **Programs**

### ***Early Childhood***

The District runs an Early Childhood Program at South Prairie Elementary. The Early Childhood Special Education (ECSE) program serves students ages 3-5 with identified disabilities as specified under the Individuals with Disabilities Education Improvement Act (IDEA). Typically developing peers are also included in this program, as well as community models. Our ECSE program focuses on:

- Developmentally appropriate curriculum with an emphasis on
  - Language,
  - Socialization,
  - Motor Skills,
  - and Pre-academic skill development.

Students are able to join the program throughout the year as they turn the age of 3. At the end of school year 2015-2016, the program had 34 students.

### ***Life School***

Life School is the Sycamore School District's transition program for students who have an Individual Educational Plan (IEP), completed four years of high school, and are at least 18 years old. The goal is to provide students with a variety of possible post school outcomes in a real-life community based program. Life School has two different programs-the Transition Program and the Developmental Training Program.

The Transition Program focuses on functional life skills with functional academic skills embedded into daily activities. The Transition Program emphasizes five domains:

- Work
- Home
- Community
- Recreation & Leisure
- Social-Interpersonal Skills

The Developmental Training Program serves young adults with greater limitations due to their developmental and intellectual disabilities. This program also emphasizes five domains:

- Social/Communication
- Home
- Community
- Recreation & Leisure
- Functional Skills

In order for a student to attend Life School, the High School's IEP team must determine that the placement is appropriate according to the student's needs and their IEP goals. Students going on in Life School will receive a Certificate of Attendance at their High School's graduation ceremony. Once a student has completed the Life School Program or they "age-out" (upon turning 22 years old) of the program, they will be issued a diploma. The program currently serves 7 students.

### ***OSCAR Childcare***

The Sycamore School District offers before and after school care for the school year and summer. The program is offered to students who are in kindergarten through fifth grade in the District. OSCAR provides children a fun, safe, and quality experience. The before school program offers breakfast and structured activities in the areas of academics, arts and crafts, nutrition and wellness. The afternoon program provides homework assistance, academically based activities, and structured playtime. Students also have an opportunity to attend the YMCA campus for swim lessons once a week. Certified teachers lead the program. The program served, on average, 263 students during the school year and about 305 students in the summer.

### ***English Language Learners (ELL)***

The English Language Learners (ELL) program is designed to meet the needs of students whose first language is not English. Students are assessed when they register if parents indicate that another language is spoken in their home. There is a continuum of services provided to students depending on how well they are able to speak, read, write, and listen in English.

- Students at the elementary level who require ELL support will work with a certified ELL teacher, who is also fluent in Spanish, and will receive support from a Paraprofessional providing instruction to support the student as they learn English. The elementary level program is housed at North Grove Elementary.

- Students at the Middle School who require ELL support will have one to two class periods taught by a certified ELL teacher, who is also fluent in Spanish.
- Students at the High School who require ELL support will have one class period taught by a certified ELL teacher, who is also fluent in Spanish.

All ELL classes place an emphasis on learning English vocabulary, reading, and writing. In addition, pre-teaching concepts are done to help students develop academic vocabulary and understanding. Currently, there are 76 students being served in this program.

### **Economic Condition and Outlook**

Approximately 90% of the City of Sycamore's incorporated area is contiguous with that of the School District. Additionally, a portion of the Town of Cortland is also within the School District's boundaries. Residential property makes up 73.69% of the School District's tax base. Commercial and industrial values are approximately 18.81% of property values combined. The remainder is composed of farmland and railroad.

The national recession did not spare DeKalb County. Local unemployment was 5.0% in June 2016. A number of residents are employed outside of Sycamore; many commute to the Fox Valley area, and a number of residents are employed by Northern Illinois University located in DeKalb, IL.

The City of Sycamore imposes an "impact fee" on residential development. Revenues from this fee have been an important component of the District's financial plan and can be used for: 1) the purchase of real estate or structures for use as schools or educational facilities for students in the School District; (2) the construction of new buildings for use as schools or educational facilities for students in the School District; or (3) the modification of existing school buildings or educational facilities for students in the School District. Revenues from "impact fees" reached a high of \$1,268,438 in Fiscal Year 2006 before diminishing down to \$54,000 in Fiscal Year 2009. Revenues from this source increased to \$180,764 for Fiscal Year 2016 from \$145,222 in Fiscal Year 2015.

Residential home construction declined from its peak of 264 single-family units constructed in 2005-2006 to 38 in 2013-2014 but has started to increase ending 2015-2016 at 52. Residential property values, which had been increasing by double digits beginning in 2003, slowed in 2009 to a 2.42% increase, and declined by 7.75% in 2013. Values continued to show a decline of 1.5% in 2014. The District did see a 5.79% increase in property values in 2015. This increase in value impacts the District's property tax revenues, as well as the District's tax rates.

Rates will rise in a time of declining property values, which is necessary to provide the funds the District is entitled to under the Property Tax Extension Limitation Law. Fortunately, the District was able to decrease the tax rate for the 2015 levy and provide some relief to its taxpayers.

DeKalb County passed the Property Tax Extension Limitation Law, commonly known as "tax caps," in 1999. This law restricts the School District's property tax levy to an increase of 105%, or the annual Consumer Price Index (whichever is less), excluding growth from new

construction.

In spite of current economic problems, the Sycamore School District has been able to maintain programs and provide the quality education experience demanded by the community. The establishment of healthy financial reserves during the growth period and sound financial management by the Board of Education has enabled the District to remain financially healthy over the last several years. However, in school year 2014-2015, the District implemented a three year deficit reduction plan that will begin in school year 2015-2016. The plan will reduce expenditures by \$4.6 million over the three year plan to ensure the District gets back to a balanced budget. Declining property values & prorated state aid has presented deficit spending over the last seven years and will impact the District as they make financial decisions going forward.

### **Financial Information & Policies**

Sycamore CUSD #427 conforms to Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) and the United States of America, as applicable to governmental entities. The District reports on a modified accrual basis of accounting. The presentation permits the reader to obtain an overview of the District's financial operations by reviewing the combined statements in the front section of this report. Detailed representations of the combined statements are available throughout the remainder of the report.

The District Administration is responsible for establishing and maintaining internal controls. Internal controls provide reasonable assurance that District assets are protected from loss, theft, or misuse. These controls are based on the principle of "reasonable assurance," which recognizes the cost of a control should not exceed the benefits to be derived from that control.

The District's independent auditor, Klein Hall CPAs, considered the District's internal controls to determine auditing procedures for the purpose of expressing an opinion on the financial statements. The auditor also tested the District's compliance with provisions of laws, regulations, contracts, and grants. As a result of the audit, no material weaknesses or significant deficiencies in internal controls were noted, and no material noncompliance was determined.

### **District Funds**

The District's accounts are organized as separate accounting entities called funds. District resources are allocated to and accounted for in individual funds as required by the State of Illinois. Each fund has specific functions based upon the purposes for which the District's resources are to be expended. This allows for a more controlled process of spending activities. The following describes the fund types implemented in School District 427:

- 1) **General Fund** – accounts for the revenues and expenditures that are used in providing the educational program for the students of the District (e.g., Operations and Maintenance and Working Cash)

- 2) **Special Revenue Funds** – accounts for specific revenue sources that are legally restricted to expenditures for specified purposes (e.g., Transportation and Municipal Retirement/Social Security).
- 3) **Debt Service Fund** – accounts for the accumulation of resources for, and the payments of, general long-term debt principal, interest, and related costs. All bond issues are maintained through the Bond and Interest Fund.
- 4) **Capital Projects Fund** – accounts for financial resources to be used for the acquisition or construction of major capital facilities.
- 5) **Activity Fund** – accounts for the assets held by the District for student organizations.

### **Budget Control**

The District maintains sound budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of all funds are included in the annual appropriated budget. Budgetary control is maintained at the fund level. Monthly budget variances at the fund level, as well as more detailed program line item levels, are provided to the Board with the Treasurer's Report.

The District also maintains an encumbrance accounting system as one process for accomplishing budgetary control. Encumbered amounts lapse at year-end. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

### **Major Initiatives**

#### *Improvements to District Facilities*

The District had several capital improvement projects during the 2015-2016 school year. The following summarizes the projects by school:

#### West Elementary School

- Outdoor stair railing repair
- Sidewalk repairs

#### Sycamore High School

- Bus lot repair & resurfacing
- Parking lot pavement repairs
- Installation of heater to outdoor Greenhouse

## **Certificate of Excellence**

The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to Sycamore Community Unit School District #427 for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. This certificate is a prestigious national award recognizing standards for preparation of state and local government financial reports. This year's Comprehensive Annual Financial Report will again be submitted for the ASBO Certificate of Excellence award.

In order to be awarded this Certificate, the District must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy generally accepted accounting principles and applicable legal requirements.

We believe that our current report conforms to the Certificate requirements, and we are submitting it to ASBO International to determine its eligibility for the Certificate.

## **Other Information**

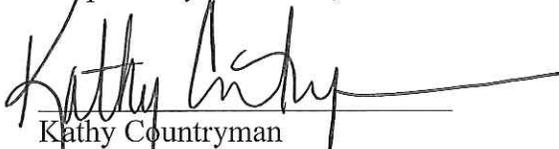
### *Independent Audit*

The School Code of Illinois and the District's adopted policy require an annual, independent audit of the book of accounts, financial records, and all fund transactions of the District. The audit was performed by the independent certified public accountants that are selected by the District's Board of Education. The auditor's opinion has been included in this report.

### *Acknowledgments*

We wish to thank the members of the Board of Education for their interest and support in planning and conducting the financial operations of Sycamore CUSD #427 in both a highly responsible and effective manner. The preparation of the report on a timely basis could not be accomplished without the efficient and dedicated services of all members of the Business Office who assisted in the closing of the District's financial records and the preparation of this report.

Respectfully submitted,

  
Kathy Countryman  
Superintendent

  
Nicole Stuckert  
Chief Financial Officer/  
Chief School Business Official

**Sycamore Community Unit School District No. 427**  
245 West Exchange Street  
Sycamore, Illinois 60178

**Officers and Officials**

June 30, 2016

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**Board of Education**

		<u>Term Expires</u>
James Dombek	President	2017
Stephen Nelson	Vice President	2019
Donald Clayberg	Secretary	2017
Julenne Davey	Member	2019
Dianne Tyrrell	Member	2019
Kris Wrenn	Member	2019
Eric Jones	Member	2017

**District Administration**

Kathy Countryman	Superintendent
Nicole Stuckert	Chief Financial Officer/ Chief School Business Official

**Official Issuing Report**

Nicole Stuckert	Chief Financial Officer/ Chief School Business Official
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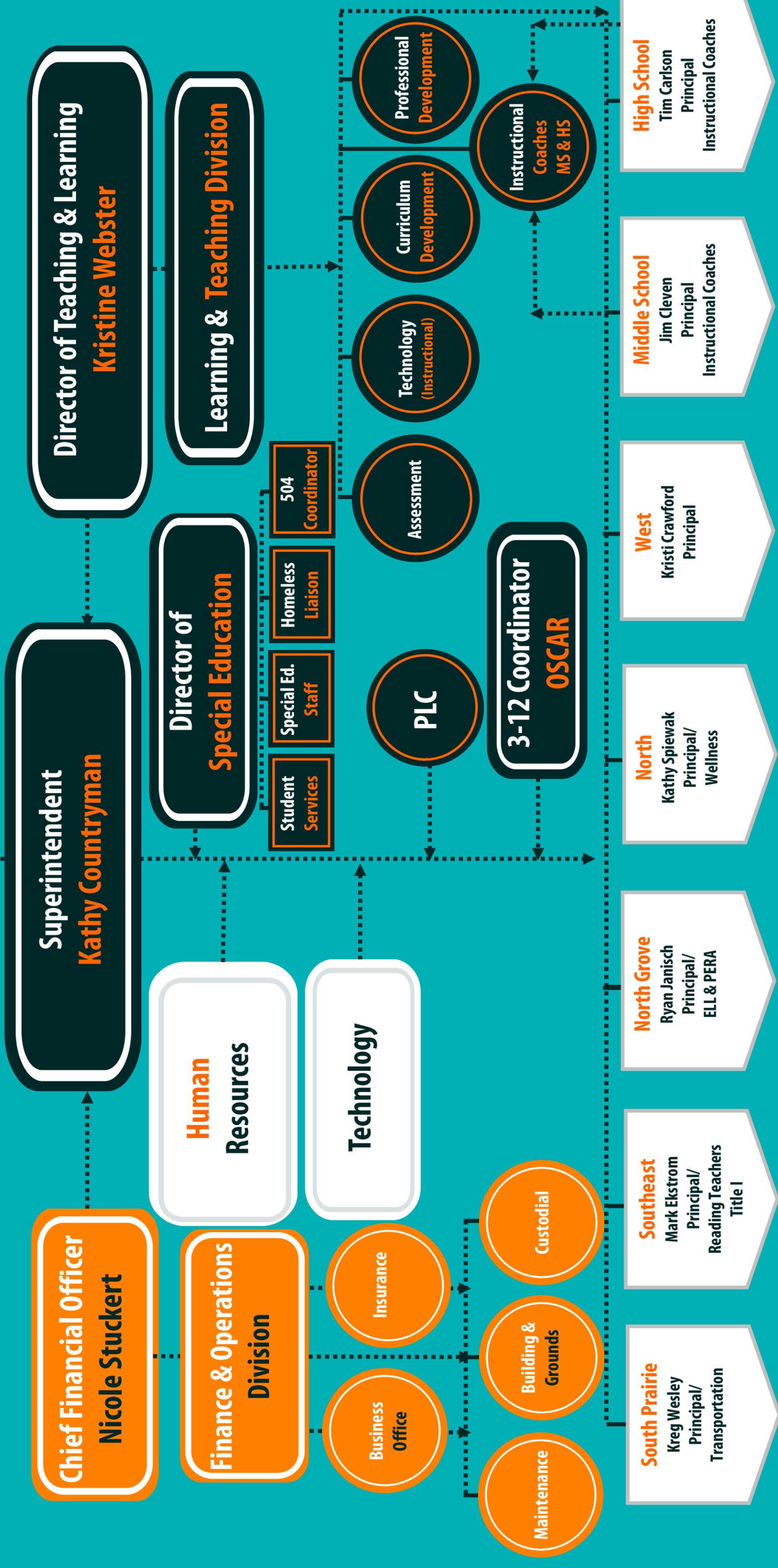
**Department Issuing Report**

Business Office

# ORGANIZATION CHART

## SYCAMORE CUSD 427 BOARD OF EDUCATION

[Phase 1]





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting Award  
is presented to**

**Sycamore Community Unit School District No. 427**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2015.**

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards.



*Brenda Burkett*

Brenda R. Burkett, CPA, CSBA, SFO  
President

*John D. Musso*

John D. Musso, CAE, RSBA  
Executive Director

## **FINANCIAL SECTION**



3957 75<sup>th</sup> Street, Aurora, IL 60504  
Phone 630.898.5578 | Fax 630.225.5128  
KleinHallcpa.com

## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Sycamore Community Unit School District No. 427  
Sycamore, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sycamore Community Unit School District No. 427 (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Sycamore Community Unit School District No. 427 as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical sections as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2016, on our consideration of Sycamore Community Unit School District No. 427's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Klein Hall CPAs". The signature is written in a cursive, flowing style.

Klein Hall CPAs  
Aurora, Illinois  
September 28, 2016

**Sycamore Community Unit School District #427**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2016**

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This section of Sycamore Community Unit School District #427's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2016. Please read it in conjunction with the transmittal letter found in the introductory section, as well as the District's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the *Governmental Accounting Standards Board (GASB)* in their *Statement No.34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued June 1999. The MD&A is management's explanation of the District's financial position.

**Financial Highlights**

- As of June 30, 2016, the total combined assets plus deferred outflows of the District exceeded its liabilities plus deferred inflows by \$12,873,171 (net position of the District). Overall net position declined by \$3,568,854.
- During the year, expenses from governmental activities totaled \$60,443,172. General revenues generated from property taxes, state and federal funding, earnings on investments, and miscellaneous items totaled \$40,395,196, which is a 4.51% increase over the previous year. Program revenues accounted for an additional \$16,479,122, which is a 5.01% increase over the previous year.
- Student enrollment increased by 0.5% from 3,759 in 2015 to 3,776 in 2016.
- The General Fund reported an increase in fund balance of \$1,425,560 and ended the fiscal year with a fund balance of \$5,701,873.
- The Transportation Fund (a Major Special Revenue Fund) reported a decrease in fund balance of \$3,021,250 and ended the fiscal year with a fund balance of \$2,071,404.
- The Debt Service Fund reported an increase in fund balance of \$84,873 and ended the fiscal year with a fund balance of \$2,838,451.
- The Capital Projects Fund reported no activity and ended the fiscal year with a fund balance of \$541,215.

**Sycamore Community Unit School District #427**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2016**

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- The District's outstanding long-term debt of \$91,022,358 as of June 30, 2015 increased to \$92,928,561 as of June 30, 2016. The increase was due to new bond proceeds of \$1,575,000, the accretion on bonds, an increase in other postemployment benefits, an increase in net pension liability, and repayments of \$4,415,000.

**Overview of the Financial Statements**

The Comprehensive Annual Financial Report consists of three parts: (A) An Introductory Section, (B) A Financial Section, and (C) A Statistical Section. The Financial Section of this Comprehensive Annual Financial Report consists of four parts: (1) management's discussion and analysis (this section), (2) the basic financial statements, (3) required supplementary information, and (4) other supplementary information, which is an optional section that presents additional information such as combining and individual fund statements and schedules for non-major and major governmental funds, internal service funds, fiduciary funds, capital assets, and required compliance information.

The Management's Discussion and Analysis section is intended to serve as an introduction to the District's Basic Financial Statements. The District's Basic Financial Statements are comprised of three components: (1) Government-Wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to the Financial Statements.

The Basic Financial Statements include statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the Government-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short-term*, as well as what remains for future spending.
- The *fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

**Sycamore Community Unit School District #427**  
**Management's Discussion and Analysis**  
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**Government-wide Financial Statements**

The Government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies.

The *Statement of Net Position* includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as *net position*.

The *Statement of Activities* presents information for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported on this statement for some items that will only result in cash flows in future fiscal periods.

The Government-wide financial statements report the District's *net position* and how it has changed. Net position is the difference between the District's assets plus deferred outflows and liabilities plus deferred inflows – this is one way to measure the District's financial health or *position*. Per the requirements of *GASB 34*, comparisons with prior year net position and changes are reported.

- Over time, increases or decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating.
- To assess the District's overall health, one must consider additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

**Fund Financial Statements**

The District's fund financial statements provide more detailed information about the District's funds, focusing on its most significant or major funds, not the District as a whole. Fund accounting devices that the District uses to keep track of specific sources of funding and spending for particular programs are required by state law and bond covenants. The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (such as Working Cash).

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The District has two categories of funds:

- *Governmental Funds:* All of the District's basic services are included in governmental funds, which generally focus on: (1) how cash and other financial assets can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that allows one to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the Government-wide statements, additional information in the *Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds* and the *Statement of Activities* explains the relationship (or differences) between the long-term and short-term outlooks.
  
- *Fiduciary Funds:* The District is the trustee, *or fiduciary*, for assets that belong to others, such as the student activity funds and private purpose trust funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

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**Financial Analysis of the District as a Whole**

**Net Position**

As noted earlier, net position may over time serve as a useful indicator of a government's financial position. The District's assets plus deferred outflows as of June 30, 2016 exceeded liabilities plus deferred inflows by \$12,873,171 (net position) (see Table A-1). Overall assets decreased by \$3,286,852. Current and other assets decreased in the same period from \$32,139,019 to \$29,898,899.

**Table (A-1)  
Sycamore CUSD #427's Net Position**

	Governmental Activities	
	2016	2015
Current and other assets	\$ 29,898,899	\$ 32,139,019
Capital assets	72,547,228	73,593,960
Total assets	<u>102,446,127</u>	<u>105,732,979</u>
 Deferred Outflows	 <u>9,832,086</u>	 <u>6,659,417</u>
 Debt outstanding		
Current	3,373,696	3,503,413
Long-term	89,554,865	87,518,945
Other liabilities	<u>4,741,587</u>	<u>4,602,239</u>
Total liabilities	<u>97,670,148</u>	<u>95,624,597</u>
 Deferred Inflows	 <u>1,734,894</u>	 <u>325,774</u>
 Net position		
Net investment in capital assets	11,397,974	11,215,094
Restricted	7,332,735	10,470,545
Unrestricted	<u>(5,857,538)</u>	<u>(5,243,614)</u>
Total net position	<u>\$ 12,873,171</u>	<u>\$ 16,442,025</u>

**Changes in Net Position**

Total revenues increased by 4.66% from \$54,344,298 in 2015 to \$56,874,318 in 2016 (see Table A-2). Expenses for the same period increased from \$55,290,132 in 2015 to \$60,443,172 in 2016, an increase of 9.32%.

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(Table A-2)

**Change in Net Position**

	2016	2015	% Change
<b>Program Revenues</b>			
Charges for Services	\$ 2,446,120	\$ 2,474,142	-1%
Operating Grants and Contributions	14,033,002	13,219,062	6%
<b>Total Program Revenues</b>	<b>16,479,122</b>	<b>15,693,204</b>	<b>5%</b>
<b>General Revenues</b>			
Property Taxes	30,837,399	30,147,478	2%
Personal property replacement taxes	719,720	910,248	-21%
Federal and state aid not restricted to specific purposes	8,387,897	7,462,758	12%
Investment Earnings	39,818	130,610	-70%
Miscellaneous	410,362	-	N/A
<b>Total General Revenues</b>	<b>40,395,196</b>	<b>38,651,094</b>	<b>5%</b>
<b>Total Revenues</b>	<b>56,874,318</b>	<b>54,344,298</b>	<b>5%</b>
<b>Program Expenses</b>			
<b>Instruction</b>			
Regular	20,954,643	18,178,429	15%
Special	5,345,937	8,209,139	-35%
Tuition	2,670,260	1,709,787	56%
State retirement contributions	8,630,188	7,701,986	12%
<b>Total Instruction</b>	<b>37,601,028</b>	<b>35,799,341</b>	<b>5%</b>
<b>Support Services</b>			
Pupils	3,182,062	3,016,051	6%
Instructional Staff	2,345,902	2,421,292	-3%
General Administration	754,112	1,384,483	-46%
School Administration	1,134,283	2,123,135	-47%
Business	973,647	1,989,391	-51%
Operation & Maintenance of Facilities	5,547,514	4,374,104	27%
Transportation	2,051,758	2,045,148	0%
Central	483,486	540,851	-11%
Other	1,997,581	511,494	291%
Community service	494,991	654,978	-24%
<b>Total Support Service</b>	<b>18,965,336</b>	<b>19,060,927</b>	<b>-1%</b>
<b>Interest and Finance Charges</b>	<b>3,876,808</b>	<b>429,864</b>	<b>802%</b>
<b>Total Expenses</b>	<b>60,443,172</b>	<b>55,290,132</b>	<b>9%</b>
<b>Decrease in Net Position</b>	<b>(3,568,854)</b>	<b>(945,834)</b>	
<b>Net Position - Beginning of Year</b>	<b>16,442,025</b>	<b>17,387,859</b>	
<b>Net Position - End of Year</b>	<b>\$ 12,873,171</b>	<b>\$ 16,442,025</b>	

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The total cost of all programs and services for governmental activities in the year ended June 30, 2016 was \$60,443,172 compared to \$55,290,132 for the year ended June 30, 2015. This increase was the result of:

- Increased instructional services, including regular programs, tuition, and state retirement contributions;
- Increased cost of operations and maintenance of facilities and transportation services;
- Increased cost of other expenses.

**Governmental Activities**

Program revenues associated with the District's governmental activities increased by 5.00% from \$15,693,204 in Fiscal Year 2015 to \$16,479,122 in Fiscal Year 2016, which was the result of an increase in state retirement contributions. General revenues increased by 4.51%. Property tax revenues increased by 2.29%. Federal and state aid not restricted to specific purposes increased by 12.40%. Investment earnings decreased by 69.51%, which is attributable to District investments. Personal property replacement tax revenue decreased by 20.93% as a result of a decrease in collection of user fees and personal property replacement taxes.

(Table A-3)

	Charges for Services			Operating Grants and Contributions		
	2016	2015	% Change	2016	2015	% Change
Regular Programs	\$ 1,533,002	\$ 1,514,277	1.24%	\$ 1,101,530	\$ 2,064,924	-46.66%
Special Programs	9,512	9,390	1.30%	2,806,616	2,597,909	8.03%
State Retirement Contributions	-	-	0.00%	8,630,188	7,096,230	21.62%
Instructional Staff	-	-	0.00%	86,178	38,273	125.17%
Business Operations and Maintenance of Facilities	634,511	609,606	4.09%	368,025	417,469	-11.84%
Transportation	123,924	69,392	78.59%	-	-	0.00%
Totals	\$ 2,446,120	\$ 2,474,142	-1.13%	\$ 14,033,002	\$ 13,219,062	6.16%

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The total cost of instructional services from governmental activities increased by 5.03% from \$35,799,341 in Fiscal Year 2015 to \$37,601,028 in Fiscal Year 2016. Support service costs decreased by 0.50% from \$19,060,927 to \$18,965,336 in Fiscal Year 2016. Interest and fiscal charge costs decreased by 801.87% in Fiscal Year 2016 due to the bond refunding undertaken and tax anticipations warrants issued during the year. The cost of all governmental activities for Fiscal Year 2016 increased 9.32% over the previous fiscal year to \$60,443,172.

The net cost of services reflects the amount of District expenses that are supported by property tax payments, state and federal resources not restricted to certain purposes, earnings on investments, and various miscellaneous revenues.

The net cost of total services less program revenues decreased by 11.03% for Fiscal Year 2016. Net cost of instructional services decreased from \$22,516,611 for Fiscal Year 2015 to \$23,520,180 for Fiscal Year 2016. Support service costs less program revenues decreased by 0.50% for the same period.

(Table A-4)

	Governmental Activities					
	Total Cost of Services 2016	Total Cost of Services 2015	Total Percentage Change	Net Cost of Services 2016	Net Cost of Services 2015	Total Percentage Change
Instruction	\$ 37,601,028	\$ 35,799,341	5.03%	\$ 23,520,180	\$ 22,516,611	4.46%
Support Services	18,965,336	19,060,927	-0.50%	16,567,062	16,650,453	-0.50%
Interest and Fiscal Charges	3,876,808	429,864	801.87%	3,876,808	429,864	801.87%
<b>Totals</b>	<b>\$ 60,443,172</b>	<b>\$ 55,290,132</b>	<b>9.32%</b>	<b>\$ 43,964,050</b>	<b>\$ 39,596,928</b>	<b>11.03%</b>

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**Financial Analysis of the District's Funds**

The District's governmental funds have a combined fund balance on June 30, 2016 of \$12,744,623. This is a decrease of \$1,091,403 from the June 30, 2015 fund balance of \$13,836,026.

The Major Funds include the General Fund, the Transportation Fund, the Debt Service Fund, and the Capital Projects Fund. Changes in their positions are detailed below.

The General Fund (Education, Operations and Maintenance and Working Cash accounts) ended Fiscal Year 2016 with a fund balance of \$5,701,873. This was an increase of \$1,425,560 from the stated position on June 30, 2015. The increase was a result of increased local, State, and Federal revenues and decreasing instruction, support services, non-programmed charges expenditures, and a transfer from the transportation fund.

The Transportation Fund's end-of-year fund balance decreased by \$3,021,250. The State of Illinois reimburses on a pro-rata basis the cost of transporting students living within a mile and one-half of an attendance center or where there is a significant traffic hazard that would endanger walking students.

The Debt Service Fund's fund balance ended the fiscal year at \$2,838,451, an increase of \$84,873 from the previous fiscal year.

The Capital Projects Fund had a fund balance of \$541,215 at the conclusion of the present fiscal year.

Non-Major Governmental Funds include the Municipal Retirement/Social Security Fund and the Fire Prevention and Safety Fund.

The Municipal Retirement/Social Security Fund is established by Illinois Statutes. Its purpose is to account for property tax funds specifically levied by the District to meet the District's obligations to the Illinois Municipal Retirement Fund, a mandatory retirement fund for all non-certified employees, and to account for tax dollars used for the District's obligation for Social Security and Medicare payments. The fund balance on June 30, 2016 was \$307,514. This was a positive change of \$155,397 from June 30, 2015.

The Fire Prevention and Safety Fund is a statutorily authorized fund to account for funds specifically raised through a property tax levy or sale of bonds to effect cited areas of building concern. This fund ended the current fiscal year with a fund balance of \$1,284,166, which was an increase of \$264,017.

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**General Governmental Functions**

A comparison of the various revenues of the Governmental Fund Types and percentages of increases and decreases in relation to the prior year is shown in the following tabulation:

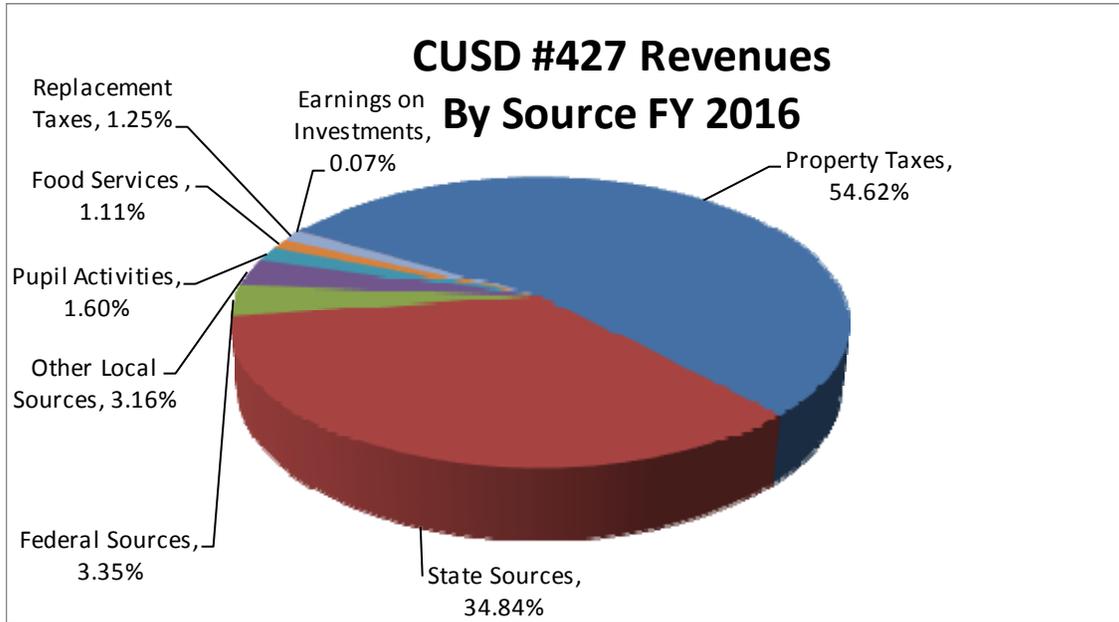
(Table A-5)  
Revenues by Source

Revenue Source	2016		2015		Increase (Decrease) from 2015	
	Revenues		Revenues			
	Amount	Percent of Total	Amount	Percent of Total	Dollars	Percentages
Property Taxes	\$ 31,343,375	54.62%	\$ 30,147,478	55.79%	\$ 1,195,897	3.97%
Replacement Taxes	719,720	1.25%	910,248	1.68%	(190,528)	-20.93%
<b>Total Taxes</b>	<b>32,063,095</b>	<b>55.88%</b>	<b>31,057,726</b>	<b>57.47%</b>	<b>1,005,369</b>	<b>3.24%</b>
Earnings on Investments	39,818	0.07%	130,610	0.24%	(90,792)	-69.51%
Food Services	634,511	1.11%	609,606	1.13%	24,905	4.09%
Pupil Activities	918,668	1.60%	816,705	1.51%	101,963	12.48%
Other Local Sources	1,814,445	3.16%	1,541,165	2.85%	273,280	17.73%
<b>Total Local</b>	<b>35,470,537</b>	<b>61.82%</b>	<b>34,155,812</b>	<b>63.20%</b>	<b>1,314,725</b>	<b>3.85%</b>
State Sources	19,989,559	34.84%	18,035,790	33.37%	1,953,769	10.83%
Federal Sources	1,920,198	3.35%	1,849,354	3.42%	70,844	3.83%
<b>Total State &amp; Federal</b>	<b>21,909,757</b>	<b>38.18%</b>	<b>19,885,144</b>	<b>36.80%</b>	<b>2,024,613</b>	<b>10.18%</b>
<b>Totals</b>	<b>\$ 57,380,294</b>	<b>100.00%</b>	<b>\$ 54,040,956</b>	<b>100.00%</b>	<b>\$ 3,339,338</b>	<b>6.18%</b>

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Revenue from all Governmental Fund types totaled \$57,380,294 in Fiscal Year 2016, which represents a 6.18% increase over Fiscal Year 2015. Local property taxes produced 54.62% of general revenues compared to 55.79% the previous year. Revenue from all local sources accounted for \$35,470,537 or 61.82% of total revenue. This compares to 63.20% from local sources the previous year. Revenue from state and federal sources accounted for 38.18%, as compared to 36.80% from state and federal sources in 2015. Federal funds accounted for 3.35% of total revenue from all Governmental Fund types.



Property tax payments are the most significant revenue source for the District. The District is located in two “tax capped” counties. Illinois enacted the Property Tax Extension Limitation Law (PTELL), which effectively “capped” the growth of tax rates. Property tax growth in PTELL counties is determined by a levy formula that uses the previous year’s extension, the consumer price index (CPI), and the property value of new construction.

By Illinois law, a school district must adopt a levy for property tax dollar requests and file that levy request with the county clerk(s) by the last Tuesday in December. Tax amounts and rates are determined by the application of the request across the equalized assessed value (EAV) of property within the taxing district. Amounts requested are then reduced (if necessary) to conform to the limitations imposed by PTELL and other sections of the statutes. The taxes are due and payable in the year following the levy. Normally, tax payments are due from the individual by May 1st and September 1st. Funds collected are dispersed later in those months by the county treasurers.

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The EAV in DeKalb and Kane Counties is determined as one-third of the fair market value of the property. The State of Illinois will apply a multiplier function, if necessary, in an effort to equalize assessment practices of county assessors. The District's 2015 Levy Year EAV of \$457,936,568 represents an increase of 5.79% from the 2014 Levy Year. The Board of Education approves a levy in dollars to meet the District's operating needs for the fiscal year following the levy. The debt service levy is established at the time the Board approves a Bond Sale Resolution. In Illinois, the only long-term debt that can be repaid through a specific tax levy is for bond indebtedness. The County Clerk normally extends the debt service levy by 1% to cover "loss and costs" associated with tax payment collection. Tax rates are determined by dividing the total EAV by the extended levy and are usually expressed as dollars and cents per \$100 of EAV.

Tax collections for the 2015 Levy Year were 52.54%. Real estate tax bills in DeKalb and Kane counties are payable in two installments, as discussed in the previous paragraph, with the second payment falling due and payable after the close of the fiscal year. Property tax rates for the 2015 Levy and the preceding three levy years are shown on the following tabulation:

(Table A-6)  
Sycamore CUSD 427 Tax Rates

Levy Year	2015	2014	2013	2012
<b>Fund Type</b>				
General	4.8692	5.1041	5.0180	5.0339
Special Revenue	0.7385	0.7103	0.5806	0.0441
Debt Service	1.0342	1.0519	0.9979	0.9501
Health/Safety	0.0625	0.0667	0.0670	0.0551
Fiduciary	0.0444	0.0466	0.0476	0.0491
<b>Total Tax Rate</b>	<b>6.7488</b>	<b>6.9796</b>	<b>6.7111</b>	<b>6.1323</b>
 Collection Levy	 52.54%	 99.94%	 99.89%	 100.66%

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The following table presents expenditures for major functions of the District with comparison to the preceding year for all Government Fund types:

(Table A-7)  
Expenditures By Function

	2016		2015		Increase (Decrease) from	
	Expenditures		Expenditures		2015	
	Amount	Percent of Total	Amount	Percent of Total	Dollars	Percentages
Instruction	\$ 33,271,622	56.94%	\$ 31,949,569	52.58%	\$ 1,322,053	4.14%
Supporting Services	17,407,850	29.79%	20,653,226	29.82%	(3,245,376)	-15.71%
Community Services	494,991	0.85%	654,978	1.08%	(159,987)	-24.43%
Non-programmed Charges	1,749,524	2.99%	1,601,076	2.63%	148,448	9.27%
Debt Service	5,492,321	9.40%	5,907,544	9.72%	(415,223)	-7.03%
Capital Outlay	16,864	0.03%	2,533,640	4.17%	(2,516,776)	-99.33%
<b>Totals</b>	<b>\$ 58,433,172</b>	<b>100.00%</b>	<b>\$ 60,767,073</b>	<b>100.00%</b>	<b>\$ (4,866,861)</b>	<b>-8.01%</b>

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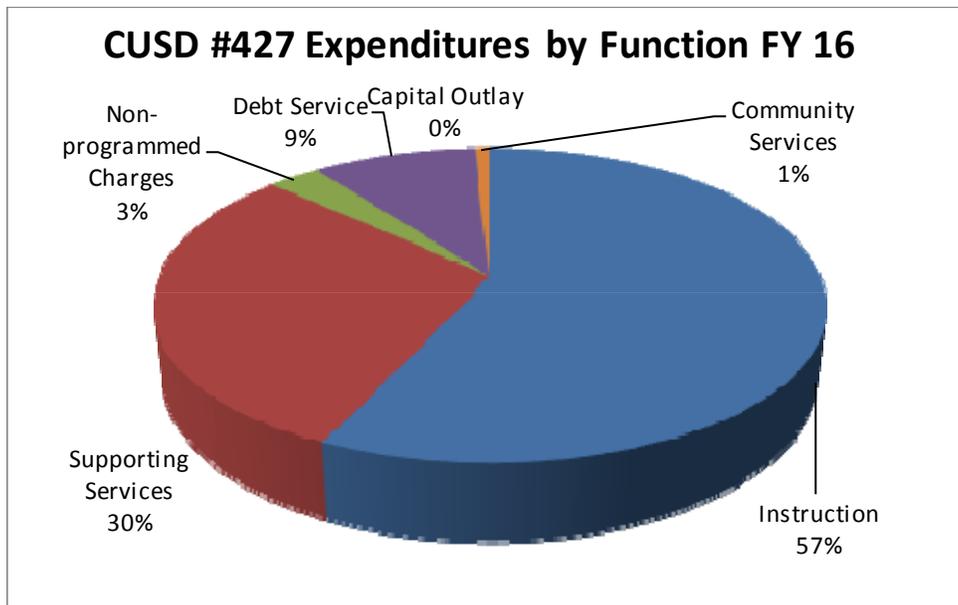
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Expenditures from all Governmental Fund types totaled \$58,433,172 in 2016, a decrease of \$4,866,861 or 8.01% from 2015. This decrease resulted from a decrease of expenditures across multiple functions.

In 2016, the District spent \$16,864 or 99.33% less on expenditures classified as Capital Outlay than in 2015. This decrease is the result of no building and improvements and no equipment acquisitions in the current year.

Debt repayment expenditures decreased by \$415,223, or 7.03%, from 2015.

Supporting services for students and instructional staff, including district administration, school administration, and business services, accounted for 29.79% of all expenditures. Supporting Service expenditures decreased by \$3,245,376, or 15.71%, compared to the previous fiscal year. Instruction expenditures in Illinois include "On Behalf" funds, which are State contributions to the Teachers Retirement System. Funds are never actually realized by the local district. It is required, however, that these contributions be shown by the local district on their revenue and expense statements. A more complete discussion of the "On Behalf" contribution is included in Note 5 of the *Notes to Financial Statements*.



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Included in the Special Revenue Fund are revenues and expenditures related to the Illinois Municipal Retirement (IMRF) and Social Security Fund. IMRF is the pension fund for non-certified workers of school districts. A district may levy a tax to pay the costs of this retirement fund. Total revenues and expenditures for the fund were \$1,578,480 and \$1,423,083, respectively. As of December 31, 2015, the following actuarial information pertains to the IMRF pension plan:

Total pension liability	\$ 64,456,972
Plan fiduciary net position	<u>53,793,671</u>
Net pension liability	<u>\$ 10,663,301</u>

Note 5 in the *Notes to the Financial Statements* contains more detailed information on funding for the Illinois Municipal Retirement Fund.

**General Fund Budgetary Highlights**

Annual budgets for all Governmental Funds are adopted on the modified accrual basis, consistent with generally accepted accounting principles (GAAP). During the 2015-2016 Budget year, the District did not amend the annual operating budget.

Expenditures exceeded revenues in the 2016 Fiscal Year. This condition resulted from decreased and pro-rated state payments and increases in personnel and health insurance expenses. The District's adopted budget for the General Fund anticipated that revenues would exceed expenditures.

Notably, the total expenditures for instruction in the General Fund exceeded budget by \$161,525, primarily due to unanticipated transportation and benefits costs. This variance was largely offset by support services, community services, and non-programmed charges all being under budget for Fiscal Year 2016.

The actual expenditures in the Municipal Retirement/Social Security Fund and Transportation Fund exceeded budgeted expenditures. Actual variances are detailed in Note 10 of the *Notes to Financial Statements*. Additional sources were available to finance these excess expenditures as allowed under Illinois Statutes.

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**Capital Assets and Long-Term Debt**

*Capital Assets*

During fiscal year 2016, the District invested \$4,549,568 in depreciable building improvements, facilities, furniture, transportation equipment, and computer hardware equipment. This resulted in total net capital assets of \$72,547,228 as of June 30, 2016, which is a decrease in capital asset value from the previous year. Total depreciation expense for the year was \$3,542,256. See Note 3 in the *Notes to the Financial Statements* for additional information on capital assets.

(Table A-8)  
Capital Assets (net of depreciation)

	2016	2015	2014
Land	\$ 782,089	\$ 782,089	\$ 782,089
Land improvements	1,842,749	1,775,336	1,444,664
Buildings	67,161,106	65,854,390	68,366,425
Equipment & other	2,761,284	3,217,102	3,442,313
Construction in Progress	-	2,747,132	-
Totals	\$ 72,547,228	\$ 74,376,049	\$ 74,035,491

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*Long-Term Debt*

On June 30, 2016 the District had \$92,928,561 in long-term debt. This debt was comprised of \$56,858,029 in General Obligation Bonds, \$1,055,853 in vehicle and facility loans, \$1,815,780 for other retirement benefits (OPEB), and \$13,710,154 for net pension liability. Also included in this total is \$19,488,745 in premiums and accretion on bonds.

During the fiscal year, the District reduced its long-term debt with payments of \$4,415,000 on its outstanding General Obligation Bonds and \$663,412 on vehicle and facility leases. These actions left a June 30, 2016 year-end balance of \$92,928,561 in long-term debt, an increase of \$1,906,203 from June 30, 2015.

The table shown below reflects the long-term debt of the District as of June 30:

(Table A-9)  
Outstanding Long-Term Debt

	2016	2015
General obligation bonds	\$ 56,858,029	\$ 59,698,029
Accretion on bonds	12,834,811	10,742,147
Premium bonds	6,653,934	7,260,859
Vehicle, equipment and facility loans	1,055,853	1,719,265
Other post-employment benefits	1,815,780	1,480,962
Net pension liability	13,710,154	10,121,096
Totals	\$ 92,928,561	\$ 91,022,358

See Note 4 in the *Notes to the Financial Statements* for more information relating to long-term liabilities.

**Sycamore Community Unit School District #427**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2016**

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**Factors Bearing on the District's Future**

The District is currently researching different technology initiatives including a Mass Customized Learning model by utilizing a bring your own device or 1 to 1 proposal.

The Board does have in place a "Business Partnership Agreement" policy to assist the city and county in attracting new businesses to locate in the area. The agreement grants a new business an abatement of a portion of its property taxes for up to three years and requires certain partnership responsibilities on the part of the business seeking the abatement. The Board conservatively considers only one abatement request per year. To date, three industries have taken advantage of this opportunity.

The District currently has active contracts with all employment groups. The custodial employees' bargaining agreement will end on June 30, 2017. The support personnel contract expires on June 30, 2019. The teacher's contract is effective through August 15, 2017. Sycamore has had a history of collaborative bargaining.

The Illinois Appellate Court recently reversed a Property Tax Appeal Board ("PTAB") decision which had created a \$240,000 property tax refund liability against Sycamore School District and other taxing districts. The taxpayer appealed that decision and is waiting for the Appellate Court to schedule the matter for oral argument.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, investors, and creditors with a general overview of the District's finances. Should you have questions about this report or need additional financial information, please contact the Chief Financial Officer/Chief School Business Official at 245 W. Exchange Street, Suite 1, Sycamore, IL 60178.

## **BASIC FINANCIAL STATEMENTS**



**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	Governmental Activities
<b>Assets:</b>	
Cash and investments	\$ 13,335,263
Receivables:	
Property taxes	14,643,542
Due from other governments	1,607,905
Prepaid items	312,189
Capital assets:	
Land	782,089
Other capital assets, net of depreciation	71,765,139
Total Assets	102,446,127
<b>Deferred Outflows:</b>	
Deferred amount on refunding	3,418,562
Deferred outflows related to pensions	6,413,524
Total deferred outflows	9,832,086
<b>Liabilities:</b>	
Accounts payable	392,808
Accrued salaries	3,953,104
Accrued insurance claims	395,675
Noncurrent liabilities:	
Due within one year	3,373,696
Due in more than one year	89,554,865
Total Liabilities	97,670,148
<b>Deferred Inflows:</b>	
Deferred inflows related to pensions	1,734,894
<b>Net Position:</b>	
Net investment in capital assets	11,397,974
Restricted for:	
Health plan	406,231
Transportation	1,971,978
Debt service	2,722,205
Employee retirement	307,514
Capital projects	1,825,381
Unrestricted	(5,758,112)
Total Net Position	\$ 12,873,171

See accompanying notes to basic financial statements

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2016**

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>		Net (Expense)
		<u>Charges for</u>	<u>Operating</u>	Revenue and
		<u>Services</u>	<u>Grants and</u>	Changes in
			<u>Contributions</u>	Net Position
				Total
				Governmental
				Activities
<b>Governmental Activities:</b>				
Instructional services:				
Regular programs	\$ 20,954,642	\$ 1,533,002	\$ 1,101,530	\$ (18,320,110)
Special programs	5,345,937	9,512	2,806,616	(2,529,809)
Tuition, learning disabilities	2,670,260	-	-	(2,670,260)
State retirement contributions	8,630,188	-	8,630,188	-
Support services:				
Pupils	3,182,062	-	-	(3,182,062)
Instructional staff	2,345,902	-	86,178	(2,259,724)
General administration	754,112	-	-	(754,112)
School administration	1,134,283	-	-	(1,134,283)
Business	973,647	634,511	368,025	28,889
Operation and maintenance of facilities	5,547,515	123,924	-	(5,423,591)
Transportation	2,051,758	145,171	1,040,465	(866,122)
Central	483,486	-	-	(483,486)
Other	248,057	-	-	(248,057)
Community service	494,991	-	-	(494,991)
Non-programmed charges	1,749,524	-	-	(1,749,524)
Interest on long-term liabilities	3,876,808	-	-	(3,876,808)
Total school district	<u>\$ 60,443,172</u>	<u>\$ 2,446,120</u>	<u>\$ 14,033,002</u>	<u>(43,964,050)</u>

**General revenues:**

Property taxes levied for:

General purposes	22,451,603
Transportation	1,947,064
Retirement	1,427,615
Debt service	4,725,502
Capital projects	285,615
Personal property replacement taxes	719,720
Federal and state aid not restricted to specific purposes	8,387,897
Earnings on investments	39,818
Miscellaneous	410,362

Total general revenues 40,395,196

Change in net position (3,568,854)

Net position - beginning 16,442,025

Net position - ending \$ 12,873,171

See accompanying notes to basic financial statements

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## **FUND FINANCIAL STATEMENTS**

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

<b><u>ASSETS</u></b>	<u>General</u>	<u>Transportation</u>	<u>Debt Service</u>
Cash and investments	\$ 7,251,698	\$ 1,714,802	\$ 2,379,775
Receivables:			
Property taxes	10,661,515	924,511	2,243,948
Due from other governments	1,327,377	261,001	-
Prepaid items	96,517	99,426	116,246
<b>TOTAL ASSETS</b>	<b><u>\$ 19,337,107</u></b>	<b><u>\$ 2,999,740</u></b>	<b><u>\$ 4,739,969</u></b>
 <b><u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u></b>			
<b>Liabilities:</b>			
Accounts payable	\$ 388,523	\$ 4,285	\$ -
Accrued salaries	3,814,382	138,722	-
Accrued insurance claims	395,675	-	-
<b>Total liabilities</b>	<b><u>4,598,580</u></b>	<b><u>143,007</u></b>	<b><u>-</u></b>
 <b>Deferred inflows:</b>			
Unavailable property taxes	9,036,654	785,329	1,901,518
 <b>Fund balances:</b>			
Nonspendable			
Prepaid items	96,517	99,426	116,246
Restricted			
Health plan	406,231	-	-
Transportation	-	1,971,978	-
Debt service	-	-	2,722,205
Employee retirement	-	-	-
Capital projects	-	-	-
Unassigned	5,199,125	-	-
<b>Total Fund Balances</b>	<b><u>5,701,873</u></b>	<b><u>2,071,404</u></b>	<b><u>2,838,451</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	<b><u>\$ 19,337,107</u></b>	<b><u>\$ 2,999,740</u></b>	<b><u>\$ 4,739,969</u></b>

See accompanying notes to basic financial statements

Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 541,215	\$ 1,447,773	\$ 13,335,263
-	813,568	14,643,542
-	19,527	1,607,905
-	-	312,189
<u>\$ 541,215</u>	<u>\$ 2,280,868</u>	<u>\$ 29,898,899</u>
-	-	392,808
-	-	3,953,104
-	-	395,675
-	-	4,741,587
-	689,188	12,412,689
-	-	312,189
-	-	406,231
-	-	1,971,978
-	-	2,722,205
-	307,514	307,514
541,215	1,284,166	1,825,381
-	-	5,199,125
<u>541,215</u>	<u>1,591,680</u>	<u>12,744,623</u>
<u>\$ 541,215</u>	<u>\$ 2,280,868</u>	<u>\$ 29,898,899</u>

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**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

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Amounts reported for governmental activities in the statement of net position are different because:

<b>Total fund balances - governmental funds</b>	<b>\$ 12,744,623</b>
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. The cost of the assets is \$126,559,946 and the accumulated depreciation is \$54,012,718.	72,547,228
Some of the School District's property tax revenues will be collected after fiscal year-end but are not available soon enough to pay for the current period's expenditures and are therefore deferred in the funds.	12,412,689
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:	
Deferred amount on refunding	3,418,562
Long term debt	(92,928,561)
Deferred inflows and outflows of resources related to pensions are not reported in governmental funds:	
Deferred outflows	6,413,524
Deferred inflows	(1,734,894)
<b>Net position of governmental activities</b>	<b><u><u>\$ 12,873,171</u></u></b>

See accompanying notes to basic financial statements

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2016**

	General	Transportation	Debt Service
<b>REVENUES</b>			
Local sources	\$ 26,821,212	\$ 2,006,321	\$ 4,770,443
State sources	18,949,094	1,040,465	-
Federal sources	1,920,198	-	-
<b>Total Revenues</b>	<b>47,690,504</b>	<b>3,046,786</b>	<b>4,770,443</b>
<b>EXPENDITURES</b>			
Current:			
Instruction	32,693,546	-	-
Support services	14,839,381	1,710,340	-
Community services	494,913	-	-
Non-programmed charges	1,749,524	-	-
Debt service			
Principal	-	333,769	3,169,643
Interest and fiscal charges	144,602	23,927	1,820,380
Capital outlay	-	-	-
<b>Total Expenditures</b>	<b>49,921,966</b>	<b>2,068,036</b>	<b>4,990,023</b>
Excess (deficiency) of revenues over expenditures	(2,231,462)	978,750	(219,580)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	4,000,000	-	342,978
Transfers (out)	(342,978)	(4,000,000)	-
Bonds issued at par	-	-	1,575,000
Payments to refunded bond escrow agent	-	-	(1,613,525)
<b>Total other financing sources (uses)</b>	<b>3,657,022</b>	<b>(4,000,000)</b>	<b>304,453</b>
Net change in fund balances	1,425,560	(3,021,250)	84,873
Fund Balances at beginning of year	4,276,313	5,092,654	2,753,578
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 5,701,873</b>	<b>\$ 2,071,404</b>	<b>\$ 2,838,451</b>

See accompanying notes to basic financial statements

Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 1,872,561	\$ 35,470,537
-	-	19,989,559
-	-	1,920,198
-	1,872,561	57,380,294
-	578,076	33,271,622
-	858,129	17,407,850
-	78	494,991
-	-	1,749,524
-	-	3,503,412
-	-	1,988,909
-	16,864	16,864
-	1,453,147	58,433,172
-	419,414	(1,052,878)
-	-	4,342,978
-	-	(4,342,978)
-	-	1,575,000
-	-	(1,613,525)
-	-	(38,525)
-	419,414	(1,091,403)
541,215	1,172,266	13,836,026
\$ 541,215	\$ 1,591,680	\$ 12,744,623

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2016**

Amounts reported for governmental activities in the statement of activities are different because:

**Net change in fund balances - total governmental funds** **\$ (1,091,403)**

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$1,500 are capitalized, and the cost is allocated over their estimated lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays resulting in assets	\$	1,802,436	
Depreciation expense		(3,542,256)	
Net book value of disposals		<u>(89,001)</u>	(1,828,821)

Because some of the property tax revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. (505,976)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:

Change in other post employment benefits		(334,818)	
Change in net pension liability		(3,589,058)	
Change in deferred inflows/outflows related to pensions		<u>2,127,184</u>	(1,796,692)

The governmental funds report bond and loan proceeds as an other financing source, while repayment of bond and loan principal is reported as an expenditure. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of bonds and loans and related items is as follows:

Bond and loan proceeds		(1,575,000)	
Payments to refunded bond escrow agent		1,613,525	
Repayment of bond and loan principal		3,503,412	
Accretion on capital appreciation bonds		(2,092,664)	
Amortization of deferred loss on refunding		(402,160)	
Amortization of premiums on issuance of bonds		<u>606,925</u>	<u>1,654,038</u>

**Change in net position of governmental activities** **\$ (3,568,854)**

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2016**

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	Private Purpose Trust Funds	Activity Funds
<b>Assets:</b>		
Cash and investments	\$ 871,795	\$ 246,744
<b>Liabilities:</b>		
Due to fiduciary organizations	\$ -	\$ 246,744
<b>Net position:</b>		
Assets held in trust	\$ 871,795	

See accompanying notes to basic financial statements.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**YEAR ENDED JUNE 30, 2016**

	Private Purpose Trust
<b>Additions</b>	
Donations	\$ 2,640
Net earnings on investments	15,207
Total Additions	17,847
<b>Deductions</b>	
Payments for scholarships	32,019
Changes in net position	(14,172)
Net position, beginning of year	885,967
Net position, end of year	\$ 871,795

See accompanying notes to basic financial statements.

# SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427

Notes to Financial Statements

June 30, 2016

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## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Sycamore Community Unit School District No. 427 (the District) is governed by an elected Board of Education. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the significant accounting policies, consistently applied in the preparation of the accompanying financial statements, is described below.

### **a. The Reporting Entity**

Accounting principles generally accepted in the United States of America require that the financial statements of the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Statements have been considered and there are no agencies or entities which should be presented with the District. Using the same criteria, the District is not included as a component unit of any other governmental entity.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. This report does not contain any component units.

Joint Venture – the District is also a member of the following organizations:

- Northwestern Illinois Association (see Note 14)

### **b. Fund Accounting**

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related

## SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427

Notes to Financial Statements (continued)

June 30, 2016

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legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The following summarizes the fund types used by the District:

### Governmental Fund Types

Governmental funds include the following fund types:

**General Fund** - The General Fund, which consists of the legally mandated Educational Account, Operations and Maintenance Account, Tort Immunity Account, and Working Cash Account, is used to account for the revenues and expenditures, which are used in providing education in the District. It is used to account for all financial resources except those accounted for in other funds.

**Educational Account** - These accounts are used for most of the instructional and administrative aspects of the District's operations, as well as providing school lunch services to students. The revenue consists primarily of local property taxes, state government aid, student registration fees, and lunch receipts from the District's food service program.

**Operations and Maintenance Account** - These accounts are used for expenditures made for operation, repair, and maintenance of District property. Revenue consists primarily of local property taxes.

**Working Cash Account** - This fund accounts for financial resources held by the District to be used as loans for working capital requirements to any other fund for which taxes are levied. The Working Cash Account was established and has been used to respond to fluctuations in cash flow resulting from unpredictable property tax collections. The earnings of the fund are allowed to be transferred to another fund under the Illinois Compiled Statutes. The principal of the fund, accumulated from bond issues, can be used as a source from which the District borrows money to support temporary deficiencies in other funds, or may be partially or fully transferred to the General Fund's Educational Account, upon Board approval.

**Special Revenue Funds** - Special Revenue Funds account for the proceeds of specific revenue sources (other than Debt Service and Capital Projects Funds) that are legally restricted to expenditures for specified purposes. The District's Special Revenue Funds are the Transportation and Municipal Retirement/Social Security Funds.

**Transportation Fund** - This fund accounts for the revenue and expenditures relating to student transportation, both to and from school. Revenue is derived primarily from local property taxes and state reimbursement grants.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**

Notes to Financial Statements (continued)

June 30, 2016

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**Municipal Retirement/Social Security Fund** - This fund accounts for the District's portion of the pension contributions to the Illinois Municipal Retirement Fund for noncertified employees and social security contributions for applicable certified and noncertified employees. Revenue to finance the contributions is derived primarily from local property taxes.

**Debt Service Funds** - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

**Debt Service Fund** - The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Since there are no legal requirements on bond indentures, which mandate that a separate fund be established for each bond issue, the District maintains one Debt Service Fund for all bond issues.

**Capital Projects Funds** - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. Capital projects funds include both the Capital Projects Fund and the Fire Prevention and Safety Fund.

**Capital Projects Fund** - The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

**Fire Prevention and Safety Fund** - The Fire Prevention and Safety Fund accounts for financial resources to be used for acquisitions and construction projects, which qualify as Fire Prevention and Safety expenditures.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**

Notes to Financial Statements (continued)

June 30, 2016

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**Fiduciary Fund Type**

**Agency Funds** - The Agency Funds (Activity Funds) account for assets held by the District in trustee capacity or as an agent for student organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide financial statements.

**Private Purpose Trust Funds** - These funds account for certain scholarship funds.

The District reports the following funds as major governmental funds:

General Fund

Debt Service Fund

Transportation Fund (elected to be reported as major)

Capital Projects Fund (elected to be reported as major)

Additionally, the District reports the following fund types:

**Fiduciary Fund Types:**

Student Activities Agency Fund (a fiduciary fund) accounts for assets held on behalf of student groups.

The Essie B. Smith Fund (a private purpose trust fund) accounts for certain scholarship funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The District has adopted a policy to net the interfund receivables and payables for combined totals used to determine the major funds. Consequently, the interfund loan balances, which net to zero, are not utilized to determine major funds.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**

Notes to Financial Statements (continued)

June 30, 2016

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**c. Basis of Presentation**

**Government-wide and fund financial statements**

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. All of the District's operating activities are considered "governmental activities," that is, activities that are normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business activities."

The statement of activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Fiduciary Funds (including the Private Purpose Trust funds) reporting focuses on net position and changes in net position. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**

Notes to Financial Statements (continued)

June 30, 2016

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Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities in the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as a revenue of the current period. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All other revenue items are considered to be measurable and available only when the District receives the cash.

**d. Deposits and Investments**

Investments held by the District, which are short-term highly liquid investments having a remaining maturity of one year or less at the time of purchase, are reported by the District at amortized cost. All other investments are reported at fair value. Gains or losses on the sale of investments are recognized upon realization. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

The District maintains a cash and investment pool that is available for use by all funds. In addition, investments may be separately held by some of the District's funds. Each fund type's portion of the deposits, unrestricted investments, and cash on hand is displayed on the combined balance sheet as "Cash and Investments", as applicable. The following amounts which are included in these captions have been excluded from the amounts shown below:

	<u>Carrying Value</u>
Deposits held by Activity Funds	\$ 246,744
Deposits and Investments held by Scholarship Fund (See Note 8)	<u>871,795</u>
	<u>\$ 1,118,539</u>

**e. Property Taxes**

The District must file its tax levy ordinance by the last Tuesday in December of each year.

The District's property tax is levied each year on all taxable real property located in the District. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

## SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427

Notes to Financial Statements (continued)

June 30, 2016

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The DeKalb County Assessor is responsible for the assessment of all taxable real property within DeKalb County except for certain railroad property which is assessed directly by the State. The County Clerk computes the annual tax rate by dividing the levy into the assessed valuation of the taxing district. The County Clerk then computes the rate for each parcel of real property by aggregating the tax rates of all units having jurisdiction over that parcel. Property taxes are collected by the DeKalb County Collector who remits to the units their respective shares of the collections. Taxes levied in one year become due and payable in two installments on June 1 and September 1 during the following year. Substantial collections are received by the District in June and September.

The property tax levy receivable collected within the current year or expected to be collected within 60 days of year-end to be used to pay liabilities of the current period less the taxes collected within 60 days after the end of the previous fiscal year is recognized as revenue. The tax receivable less the amount expected to be collected within 60 days of year-end to be used to pay liabilities of the current period is reflected as deferred revenue. All property taxes receivable over one year old have been written off.

### **f. Deferred Inflows/Outflows of Resources**

In addition to assets, the statement of net position/balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position/balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

### **g. Personal Property Replacement Taxes**

Personal property replacement tax revenues are first allocated to the extent required by Illinois law in the Municipal Retirement/Social Security Fund with the balance allocated to funds at the discretion of the District.

### **h. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the Governmental Funds. All encumbrances are canceled at year end, and, if necessary, are reinstated at the beginning of the subsequent fiscal year.

### **i. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The costs of governmental fund prepaid items

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

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are recorded as expenditures when consumed rather than when purchased (consumption method).

**j. Capital Assets**

Capital assets, which include land, construction in process, buildings, improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized. Buildings, improvements, and furniture and equipment of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	40-50 years
Land improvements	20 years
Furniture, equipment, and vehicles	3-10 years

**k. Long-term obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**l. Vacation and Sick Leave**

Employee vacation and sick leave, including salary related payments, is recorded when it is paid. Accumulated unpaid employee vacation and sick leave, which was earned prior to the current fiscal year but unused at the end of the current fiscal year, is not significant. Vacation and sick leave will be paid

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**

Notes to Financial Statements (continued)

June 30, 2016

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with future tax collections and therefore has not been reported as a current liability of the governmental funds.

**m. Net Position**

**Government-Wide Statements**

Net Position is classified and displayed in three components:

1. Net investment in capital assets - consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debts.
2. Restricted - consists of restricted assets reduced by liabilities and deferred inflows or resources related to those assets, with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
3. Unrestricted - net amount of assets, deferred outflows or resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

It is the District's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

**n. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**o. Eliminations and Reclassifications**

In the process of aggregating data for the government wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

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**p. Due from Other Governments**

The District was due the following amounts from other governments at June 30, 2016:

Personal Property Replacement Tax	\$ 129,585
Illinois State Board of Education	677,435
Federal grants and aid	327,145
Other	473,740
Total governmental activities	<u><u>\$ 1,607,905</u></u>

**q. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF), together "the Plans," and additions to/deductions from the Plans' fiduciary net positions have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 2. CASH AND INVESTMENTS**

**Deposits and Custodial Credit Risk**

Investments held by the District which are short-term highly liquid investments having a remaining maturity of one year or less at the time of purchase are reported by the District at amortized cost. All other investments are reported at fair value. Gains or losses on the sale of investments are recognized upon realization. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

At June 30, 2016 the carrying amount of the District's deposits, which include both cash and certificates of deposits totaled \$11,848,410 and the bank balances totaled \$13,520,413 (excluding fiduciary funds deposits). Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2016 the District had \$4,525,792 of deposits that were not insured and not covered by collateral.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

**Investments**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

State/local obligations are valued by a pricing service based on recent market transactions (Level 2 inputs).

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is an investment pool created and regulated by the Illinois General Assembly. The fair value of the District's investment in ISDLAF+ has been determined using the net asset value (NAV) per share (or its equivalent) of the investments. The NAV of the Liquid Class and MAX Class are determined as of the close of business on each Illinois banking day. The Multi-Class Series invests in high-quality short-term debt instruments (money market instruments), and shares may be redeemed on any Illinois banking day. The Term Series invest in high-quality debt instruments, which are generally money market instruments but may include instruments with a maturity over one year, and shares may be redeemed with seven days' advance notice. There were no known restrictions on redemption of the District's investments as of June 30, 2016.

At June 30, 2016, the District held the following investments:

<i>Investment Type</i>	<i>Fair Value</i>	<i>Maturities (in years) Less than 1</i>	<i>Maturities (in years) 1 to 5</i>	<i>Maturities (in years) More than 5</i>	<i>Percent of Portfolio</i>	<i>Applicable Agency Rating</i>
State/local obligations:						
Connecticut St. Ser. B	\$ 215,962	\$ -	\$ 215,962	\$ -	14.5%	AA
Florida St. Ref-Dept.	117,506	-	-	117,506	7.9%	AA
ISDLAF	1,158,484	1,158,484	-	-	77.6%	AAAm
Total Investments	<u>\$ 1,491,952</u>	<u>\$ 1,158,484</u>	<u>\$ 215,962</u>	<u>\$ 117,506</u>	<u>100.0%</u>	

*Interest Rate Risk* - the District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk* - the District's investments are rated as shown above by the applicable rating agency.

*Concentration of Credit Risk* - the District places no limit on the amount the District may invest in any one issuer. More than 5% of the District's investments are concentrated in specific individual investments. The above table indicates the percentage of each investment to the total investments of the District.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

**NOTE 3. CAPITAL ASSETS**

A summary of changes in capital assets follows:

	<i>Balance</i> <i>July 1, 2015</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance</i> <i>June 30, 2016</i>
Capital assets, not being depreciated:				
Land	\$ 782,089	\$ -	\$ -	\$ 782,089
Construction in progress	2,747,132	-	2,747,132	-
Total capital assets not being depreciated	<u>3,529,221</u>	<u>-</u>	<u>2,747,132</u>	<u>782,089</u>
Capital assets, being depreciated:				
Buildings	105,164,044	3,921,287	-	109,085,331
Improvements other than buildings	3,572,035	224,943	-	3,796,978
Equipment	12,690,107	403,338	197,897	12,895,548
Total capital assets being depreciated	<u>121,426,186</u>	<u>4,549,568</u>	<u>197,897</u>	<u>125,777,857</u>
Accumulated depreciation for:				
Buildings	39,309,654	2,614,571	-	41,924,225
Improvements other than buildings	1,796,699	157,530	-	1,954,229
Equipment	9,473,005	770,155	108,896	10,134,264
Total accumulated depreciation	<u>50,579,358</u>	<u>3,542,256</u>	<u>108,896</u>	<u>54,012,718</u>
Total capital assets being depreciated, net	<u>70,846,828</u>	<u>1,007,312</u>	<u>89,001</u>	<u>71,765,139</u>
Total capital assets, net	<u>\$ 74,376,049</u>	<u>\$ 1,007,312</u>	<u>\$ 2,836,133</u>	<u>\$ 72,547,228</u>

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**

Notes to Financial Statements (continued)

June 30, 2016

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Depreciation expense was charged to functions of the District as follows:

*Instructional Services:*

Regular Programs	\$ 2,196,198
Special Programs	230,247
Other Programs	106,268

*Supporting Services:*

Pupils	17,711
Instructional Staff	53,134
General Administration	17,711
School Administration	53,134
Business	17,711
Operations & Maintenance	673,029
Transportation	141,690
Central	35,423
	<u>\$ 3,542,256</u>

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

**NOTE 4. LONG-TERM DEBT**

The following is a summary of the components of long-term debt and related transactions of the District for the year ended June 30, 2016:

	<i>Balance</i>			<i>Balance</i>	
	<i>July 1, 2015</i>	<i>Additions</i>	<i>Reductions</i>	<i>June 30, 2016</i>	<i>Amount due in one year</i>
General Obligation					
Bonds Payable:					
Series 2005	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ -
Series 2006 B	1,735,000	-	1,735,000	-	-
Series 2007 B	11,998,029	-	-	11,998,029	106,227
Series 2009 A	1,340,000	-	455,000	885,000	525,000
Series 2009 B	4,850,000	-	750,000	4,100,000	775,000
Series 2010 A	8,135,000	-	-	8,135,000	-
Series 2010 B	1,530,000	-	-	1,530,000	-
Series 2010 C	11,270,000	-	275,000	10,995,000	275,000
Series 2010 D	1,690,000	-	810,000	880,000	880,000
Series 2010 E	1,340,000	-	135,000	1,205,000	145,000
Series 2013 ABC	12,680,000	-	-	12,680,000	-
Series 2015	2,875,000	-	-	2,875,000	-
Series 2015 A	105,000	-	105,000	-	-
Series 2015 B	-	1,575,000	-	1,575,000	200,000
Total Bonds Payable	\$ 59,698,029	\$ 1,575,000	\$ 4,415,000	\$ 56,858,029	\$ 2,906,227
Accretion on Bonds	10,742,147	2,092,664	-	12,834,811	-
Premium on Bonds	7,260,859	-	606,925	6,653,934	-
Vehicle, Equipment and Facility Loans	1,719,265	-	663,412	1,055,853	467,469
Other Post-Employment Benefits	1,480,962	334,818	-	1,815,780	-
Net pension liability	10,121,096	3,983,020	393,962	13,710,154	-
Total Long-Term Debt	\$ 91,022,358	\$ 7,985,502	\$ 6,079,299	\$ 92,928,561	\$ 3,373,696

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**

Notes to Financial Statements (continued)

June 30, 2016

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**General Obligation Bonds:** The District has issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities, to refund previously issued general obligation bonds, and to provide working cash funds. At June 30, 2016, general long-term debt consisted of the following:

September 28, 2007 building bonds in the original amount of \$15,056,877, due in annual installments varying from \$686,357 to \$1,512,466 through 2027; interest rates varying from 4.03% to 4.75% per annum.

August 27, 2009 funding and refunding bonds in the original amount of \$8,700,000, due in annual installments varying from \$775,000 to \$1,995,000 through 2022; interest rates varying from 3.0% to 4.25% per annum.

February 17, 2010 three funding and refunding bonds in the original amounts of \$8,135,000, \$1,530,000, and \$11,960,000, due in annual installments varying from \$275,000 to \$5,480,000 through 2028; interest rates varying from 1.5% to 4.875% per annum.

November 2, 2010 refunding bonds in the original amount of \$3,890,000, due in annual installments varying from \$40,000 to \$880,000 through 2017; interest rates varying from 1.375% -3.125% per annum.

November 2, 2010 funding bonds in the original amount of \$1,800,000, due in annual installments varying from \$100,000 to \$205,000 through 2023; interest rates varying from 2.00%-4.00% per annum.

February 13, 2013 three funding and refunding bonds in the original amounts of \$4,085,000, \$5,945,000, and \$2,650,000, due in three installments beginning in fiscal year ended 6/30/2028 varying from \$1,025,000 to \$6,300,000 through 2030; interest rates varying from 3.28% - 4.20% per annum.

March 17, 2015 funding bonds in the original amount of \$105,000, due on October 1, 2015; plus interest at 1.15%.

November 11, 2015 refunding bonds in the original amount of \$1,575,000, due in three annual installments varying from \$200,000 to \$955,000 through 2019; interest rates varying from 0.95% - 1.45% per annum.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

**Refunding Transactions**

On November 11, 2015, the District issued \$1,575,000 General Obligation Limited School Bonds, Series 2015B to refund a portion of the General Obligation Working Cash Bonds, Series 2006B. \$1,613,525 of the proceeds, including reoffering premium, have been deposited into an irrevocable trust to refund, through an in-substance defeasance, \$1,575,000 of the General Obligation Working Cash Bonds, Series 2006B plus accrued interest. Through the refunding, the District reduced its overall debt service by \$126,455 and had an economic gain of \$159,196.

The total amount of refunding bonds considered outstanding to be repaid from escrow as of June 30, 2016 was \$5,468,849.

At June 30, 2016, the District's annual cash flow requirements for retirement of bond principal and interest were as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2017	\$ 2,906,227	\$ 1,962,744	\$ 4,868,971
2018	2,679,212	2,377,866	5,057,078
2019	2,708,076	2,449,092	5,157,167
2020	3,432,466	4,473,712	7,906,178
2021	3,470,609	4,715,732	8,186,341
2022-2026	17,231,949	27,517,461	44,749,410
2027-2030	24,429,490	8,029,022	32,458,512
Total	<u>\$ 56,858,029</u>	<u>\$ 51,525,629</u>	<u>\$ 108,383,657</u>

The District is subject to the Illinois Compiled Statutes which limits the amount of bond indebtedness, including tax anticipation warrants and the installment contracts, to 13.8% of the most recent available equalized assessed valuation of the District. As of June 30, 2016, the statutory debt limit for the District was \$59,735,821, providing a debt margin of \$5,716,243 after taking into account amounts available in the Debt Service Fund.

**Vehicle, Equipment, and Facility Loans**

The District has various bank loans related to the acquisition of school buses, improvements, and equipment. Annual principal and interest payments are required at variable interest rates.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

At June 30, 2016, the District's annual cash flow requirements for retirement of various vehicle, equipment, and facility loans' principal and interest were as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2017	\$ 467,469	\$ 21,929	\$ 489,398
2018	316,375	11,996	328,371
2019	179,982	5,615	185,597
2020	92,027	1,850	93,877
Total	<u>\$ 1,055,853</u>	<u>\$ 41,390</u>	<u>\$ 1,097,243</u>

The payments to retire the vehicle, equipment, and facility loans will be provided by future tax levies within the General and Special Revenue Funds. These funds will be transferred to the Debt Service Fund to make these payments. Payments to retire general obligation bonds payable will be made from debt service levies in future periods. There is \$2,838,451 of fund equity available in the Debt Service Fund to service outstanding bonds payable.

**NOTE 5. EMPLOYEE RETIREMENT SYSTEMS**

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed below.

**Teachers' Retirement System of the State of Illinois (TRS)**

**Plan Description**

The District participates in the TRS. TRS is a cost-sharing, multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

## SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427

Notes to Financial Statements (continued)

June 30, 2016

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### Benefits Provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped, and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

Essentially all Tier I retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

### Contributions

The state of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016 was 9.4% of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

**On-behalf contributions to TRS.** The State of Illinois makes employer pension contributions on-behalf of the District. For the year ended June 30, 2016, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$8,355,631 in pension contributions from the State of Illinois.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**

Notes to Financial Statements (continued)

June 30, 2016

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**2.2 formula contributions.** The District contributes 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2016 were \$148,668 and are deferred because they were paid after the June 30, 2015 measurement date.

**Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2016, the employer pension contribution was 36.06% of salaries paid from federal and special trust funds. For the year ended June 30, 2016, salaries totaling \$339,474 were paid from the federal and special trust funds that required employer contributions of \$122,206. These contributions are deferred because they were paid after the June 30, 2015 measurement date.

**Employer retirement cost contributions.** Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5% and applies when the member is age 55 at retirement. For the year ended June 30, 2016, the employer paid \$79,028 to TRS for employer ERO contributions.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6% if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2016, the District paid \$15,085 to TRS for employer contributions due on salary increases in excess of 6% and \$0 for sick leave days granted in excess of the normal annual allotment.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

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**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2016, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the District. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 3,046,853
State's proportionate share of the net pension liability associated with the District	<u>147,170,934</u>
Total	<u><u>\$ 150,217,787</u></u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 and rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2015, the District's proportion was 0.00465%, which was an increase of 0.001 from its proportion measured as of June 30, 2014.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**

Notes to Financial Statements (continued)

June 30, 2016

For the year ended June 30, 2016, the District recognized pension expense of \$8,355,631 and revenue of \$8,355,631 for support provided by the state. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,132	\$ 3,340
Changes in assumptions	42,135	-
Net difference between projected and actual earnings on pension plan investments	60,341	106,691
Changes in proportion and differences between District contributions and proportionate share of contributions	-	757,416
	<hr/>	<hr/>
Total deferred amounts to be recognized in pension expense in future periods	103,608	867,447
	<hr/>	<hr/>
District contributions subsequent to the measurement date	364,987	-
	<hr/>	<hr/>
Total	<u>\$ 572,203</u>	<u>\$ 1,734,894</u>

\$364,987 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred Outflows of Resources
2016	\$ (219,268)
2017	(219,268)
2018	(219,268)
2019	(106,035)
2020	-
	<hr/>
Total	<u>\$ (763,839)</u>

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

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**Actuarial Assumptions**

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Amortization method	Level Percent of Payroll
Remaining amortization period	30 year, open
Inflation	3.00%
Salary increases	5.75% average, including inflation
Investment rate of return	7.50%
Mortality	RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

The actuarial assumptions for the years ended June 30, 2015 and 2014 were different. The actuarial assumptions used in the June 30, 2015 valuation were based on the 2015 actuarial experience analysis. The investment return assumption remained at 7.5 percent, salary increase assumptions were lowered, retirement rates were increased, mortality updates were made, and other assumptions were revised. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014, which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered from their 2013 levels.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. large cap	18%	7.53%
Global equity excluding U.S.	18%	7.88%
Aggregate bonds	16%	1.57%
U.S. TIPS	2%	2.82%
NCREIF	11%	5.11%
Opportunistic real estate	4%	9.09%
ARS	8%	2.57%
Risk parity	8%	4.87%
Diversified inflation strategy	1%	3.26%
Private equity	14%	12.33%
	<u>100.0%</u>	

**Discount rate**

At June 30, 2015, the discount rate used to measure the total pension liability was a blended rate of 7.47 percent, which was a change from the June 30, 2014 rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2015 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2014, the discount rate used to measure the total pension liability was 7.50 percent. The discount rate was the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were sufficient to cover all projected benefit payments.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

**Sensitivity of the employer’s proportionate share of the net pension liability to changes in the discount rate**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.47%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.47%) or 1-percentage-point higher (8.47%) than the current rate:

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
District's proportionate share of the net pension liability	\$ 3,765,164	\$ 3,046,853	\$ 2,457,820

Detailed information about the TRS’s fiduciary net position as of June 30, 2015 is available in the separately issued TRS Comprehensive Annual Financial Report.

**Illinois Municipal Retirement Fund (IMRF)**

**Plan Description and Benefits**

The District’s defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District’s plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

All employees (other than those covered by TRS) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

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**Plan Membership**

As of June 30, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	279
Inactive employees entitled to but not yet receiving benefits	413
Active employees	<u>367</u>
Total	<u><u>1,059</u></u>

**Contributions**

As set by statute, Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actual contribution rates for calendar years 2015 and 2016 were 12.07% and 11.99%, respectively, of covered payroll. The District contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability**

The District's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**

Notes to Financial Statements (continued)

June 30, 2016

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**Actuarial Assumptions**

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Amortization method	Level Percent of Payroll
Remaining amortization period	30 year, open
Inflation	3.50%
Price inflation	2.75%
Salary increases	3.75% to 14.50%, including inflation
Investment rate of return	7.48%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	An IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table (for non-disabled retirees), RP-2014 Disabled Retirees Mortality Table (for disabled retirees), and RP-2014 Employee Mortality Table (for active employees), with adjustments to match current IMRF experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	38.0%	7.60%
International equities	17.0%	7.80%
Fixed income	27.0%	3.00%
Real estate	8.0%	6.15%
Alternatives	9.0%	5.25-8.50%
Cash	1.0%	2.25%
	100.0%	

**Discount Rate**

The Single Discount Rate used to measure the total pension liability for IMRF was 7.47%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.47%.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

**Changes in Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 60,355,525	\$ 53,675,244	\$ 6,680,281
Changes for the year:			
Service Cost	1,388,440	-	1,388,440
Interest on the Total Pension Liability	4,485,677	-	4,485,677
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	395,476	-	395,476
Changes of Assumptions	153,594	-	153,594
Contributions - Employer	-	1,598,850	(1,598,850)
Contributions - Employees	-	611,052	(611,052)
Net Investment Income	-	268,097	(268,097)
Benefit Payments, including Refunds of Employee Contributions	(2,321,740)	(2,321,740)	-
Other (Net Transfer)	-	(37,832)	37,832
Net Changes	4,101,447	118,427	3,983,020
Balances at December 31, 2015	\$ 64,456,972	\$ 53,793,671	\$ 10,663,301

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liabilities of the District, calculated using the discount rate, as well as what the District's net pension liabilities would be if they were calculated using discount rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
Net pension liability (asset)	\$ 19,005,275	\$ 10,663,301	\$ 3,799,804

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**

Notes to Financial Statements (continued)

June 30, 2016

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2016, the District recognized pension expense of \$3,087,908. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 410,409	\$ -
Changes in assumptions	1,179,264	-
Net difference between projected and actual earnings on pension plan investments	<u>3,429,772</u>	-
 Total deferred amounts to be recognized in pension expense in future periods	 <u>5,019,445</u>	 -
 Contributions subsequent to the measurement date	 <u>821,876</u>	 -
 Total	 <u><u>\$ 5,841,321</u></u>	 <u><u>\$ -</u></u>

\$821,876 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2016	\$ 1,807,042
2017	1,496,939
2018	965,078
2019	750,386
2020	-
Thereafter	<u>-</u>
Total	<u><u>\$ 5,019,445</u></u>

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

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**NOTE 6. POSTEMPLOYMENT HEALTHCARE PLAN**

**Plan Description**

The medical and prescription drug benefits are provided under the Group Healthcare Plan for the employees of the District. The plan is a single-employer defined benefit healthcare plan administered by Blue Cross Blue Shield, and it provides medical and prescription drug benefits to eligible retirees and their spouses. The District has the authority to establish and amend benefit provisions of the Group Healthcare Plan.

The service recognition bonus is provided to District teachers with 5 or more years of service with the District upon retirement. The bonus is a single-employer defined benefit OPEB plan. The terms of the bonus are established through negotiations between the District and the union representing the District's teachers.

**Monthly Retiree Contributions**

The monthly contribution rates for medical and prescription drug coverage for the Fiscal Year 2016 are as follows:

	<u>Single</u>	<u>Family</u>
Retirees Under Age 65	\$ 613.68	\$ 1,104.26
Retirees Age 65 & Over	\$ 613.68	\$ 1,104.26

Retirees age 65 and over pay 100% of the cost of the medical coverage provided to retirees over age 65.

Employees participating in the Teachers' Retirement System (TRS) are not eligible for OPEB benefits provided by the District (other than the service recognition bonus), unless by individual contract or grandfathered. Per their respective individual agreements with the District, two TRS retirees are participating in the OPEB medical and prescription drug coverage provided by the District with no retiree contributions, regardless of whether they are under or over age of 65.

Employee contributions are not required for the service recognition bonus.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

**Employer Contributions**

The self-funded medical benefit plan for the District is funded on a pay-as-you-go basis.

The service recognition bonus is also self-funded on a pay-as-you-go basis.

	<u>2014</u>	<u>2015</u>	<u>2016</u>
	June 30, 2013	June 30, 2014	June 30, 2015
Actuarial Valuation Date			
Annual OPEB cost	\$ 289,330	\$ 294,878	\$ 425,811
Estimated Contributions Made by District	109,040	123,319	90,993
Percentage of ARC Contributed	37.7%	41.8%	21.4%

**Annual OPEB Cost and Net OPEB Obligation**

The Annual OPEB Cost is calculated based on the Annual Required Contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following tables show the components of Annual OPEB Cost under an Unfunded Scenario:

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Annual Required Contribution	\$ 313,733	\$ 323,177	\$ 457,818
Interest on net OPEB obligation	28,228	32,735	37,024
Adjustment to annual required contribution	<u>(52,631)</u>	<u>(61,034)</u>	<u>(69,031)</u>
Annual OPEB cost (expense)	289,330	294,878	425,811
Estimated Contributions made by the District	<u>109,040</u>	<u>123,319</u>	<u>90,993</u>
Increase in net OPEB obligation (4-5)	180,290	171,559	334,818
Net OPEB obligation – Beginning of Year	1,129,113	1,309,403	1,480,962
Net OPEB obligation – End of Year	<u><u>\$ 1,309,403</u></u>	<u><u>\$ 1,480,962</u></u>	<u><u>\$ 1,815,780</u></u>

The schedule of funding progress presented as required supplementary information, which follows the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

**Funded Status and Funding Progress**

	<u>2014</u>	<u>2015</u>	<u>2016</u>
	June 30, 2013	June 30, 2014	June 30, 2015
Actuarial Valuation Date			
Actuarial Accrued Liability (AAL)	\$ 3,525,968	\$ 3,647,622	\$ 3,927,476
Actuarial Value of Assets	-	-	-
Unfunded Actuarial Accrued Liability (UAAL)	3,525,968	3,647,622	3,927,476
Funded Ratio	0.0%	0.0%	0.0%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision, as actual results are compared to past expectations and new estimates are made about the future.

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

1. Valuation Method

The method used for the District's medical and dental benefits plan is call the Projected Unit Credit Method. According to this method, an equal amount of an employee's projected benefit is allocated to each year from the date the employee first enters the plan until the date the employee is first eligible to receive benefits.

2. Valuation of Assets

There are no assets that have been set aside to fund the liabilities for the plan. These plans are funded on a pay-as-you-go basis.

3. Eligible Plan Participants

Below is a description of the plan participants included in the calculations in this report:

- The OPEB Medical Plan

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**

Notes to Financial Statements (continued)

June 30, 2016

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All active and retired non-certified employees in the following categories as of the date of this valuation, who are receiving benefits or may become eligible to receive benefits in the future, are included in the calculations in this report.

- Custodians
- Maintenance
- Para-Professionals
- Secretaries
- Support – 12 Month Employees
- Transportation

Employees participating in the Teacher's Retirement System (TRS) are not eligible for OPEB medical benefits provided by the District unless by individual contract or grandfathered.

▪ The Service Recognition Bonus

All active teachers employed by the District as of the date of this valuation who are eligible to receive, or may become eligible to receive, benefits in the future are included in the calculations in this report.

4. Actuarial Assumptions

These are the actuarial assumptions used for the valuation of the District's OPEB plans.

a. Valuation Date	July 1, 2015
b. Investment Return	2.50%
c. Amortization Method	Level Dollar Amount, Open
Amortization Period for Actual Accrued Liability	30 years
Amortization Factor	21.454
d. Percent of Eligible Retirees Electing Retiree Medical Coverage	100%
f. Mortality Table	RPH-2014, with Mortality Improvement Scale MP-2015
g. Percentage of Eligible Future Retirees & Spouses Electing Retiree Coverage to Age 65	100%
h. Percentage of Eligible Retirees & Spouses Electing Retiree Coverage Beyond Age 65	90%

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**

Notes to Financial Statements (continued)

June 30, 2016

Sample rates are as follows:

AGE	Years of Service		
	1	5	12
20	5.5%	4.3%	4.3%
25	6.6%	4.6%	4.0%
30	7.8%	4.6%	2.0%
35	7.7%	4.2%	2.3%
40	7.9%	4.1%	2.1%
45	8.5%	4.2%	2.0%
50	9.4%	4.3%	2.1%

h. Retirement Rates

TRS Employees

Retirement rates are the TRS retirement rates. Sample rates are as follows:

AGE	Years of Service				
	5-18	19-30	31	32-33	34
55	0.0%	12.0%	20.0%	38.0%	40.0%
60	14.0%	27.0%	45.0%	45.0%	37.0%
65	23.0%	33.0%	45.0%	45.0%	30.0%
70	100.0%	100.0%	100.0%	100.0%	100.0%

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

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Non-Certified Employees (IMRF)

Retirement rates are the TRS retirement rates reduced by 75% to reflect the lower rates of retirement for this group of employees.

i. Healthcare Cost Trend Rates

<u>FYE</u> <u>June 30</u>	<u>Medical</u> <u>Trend Rate</u>	<u>FYE</u> <u>June 30</u>	<u>Medical</u> <u>Trend Rate</u>
2014	8.20%	2040-2042	5.20%
2015	7.70%	2043-2047	5.10%
2016	7.10%	2048-2055	5.10%
2017	6.50%	2056-2060	4.90%
2018	6.00%	2061-2062	4.80%
2019-2022	5.90%	2063-2064	4.70%
2023-2034	5.80%	2065	4.60%
2035-2036	5.60%	2066-2067	4.50%
2037	5.50%	2068-2069	4.40%
2038-2039	5.30%	2070-2133	4.30%

The above medical trend rates were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model for years 2021 and beyond. The fiscal year 2016 medical trend rate of 8.7% is a blend of industry-average short-term medical trends and the District's own experience. This 2016 medical trend was then graded down each year until 2021.

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The following assumptions were used as input variables into the SOA Long-Run Medical Cost Trend Model:

Rate of Inflation	2.2%
Rate of Growth in Real Income/GDP per capita	1.6%
Extra Trend due to Technology and other factors	1.4%
Health Share for GDP Resistance Point	25.0%
Year for Limiting Cost Growth to GDP Growth	2075

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

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j. Medical Plan Cost Rates

Fiscal year 2016 Monthly Plan Cost Rates for a Single Retiree Under Age 65:

Age	Medical & Prescription Coverage	
	Male	Female
55	\$ 904.68	\$ 985.36
60	\$ 1,163.99	\$ 1,146.70
65	\$ 508.65	\$ 476.39
70	\$ 579.80	\$ 531.15
75	\$ 635.90	\$ 577.64
80	\$ 675.73	\$ 610.71
85	\$ 692.35	\$ 622.73
90	\$ 686.73	\$ 619.93

OPEB medical coverage is available past age 65 for retirees but is secondary to Medicare. The retirees age 65 and over are responsible for contributing an amount which is 100% of the cost of their OPEB medical and prescription drug coverage. Therefore, there is no GASB 45 liability for retirees age 65 and over.

k. Service Recognition Bonus

Based on past experience, all certified employees are assumed to qualify for the highest bonus level, or \$15,000, payable in a lump sum at the time the employee retires.

l. Adjustments for Health Care Reform.

One of the provisions of the Affordable Care Act is an excise tax to be imposed beginning in 2020 on high cost, employer-provided health plans that are considered “Cadillac” plans. Under the Act, companies will be required to pay a 40% excise tax on plans costing more than certain individual or family dollar thresholds. In 2020, the Congressional Research Service estimates that these dollar limits will be about \$10,800 for single coverage and \$29,100 for non-single (e.g., family) coverage. Based on the guidance that is currently available, we estimated the amount of the excise tax for all future years, and discounted the yearly values to the present value. This increased the AAL by \$363,567. Note that the impact of the excise tax can significantly change when regulations and guidance are updated or changed. The excise tax impact is also sensitive to the leveraging effect of such factors as the trend rate, the mix of active and retired participants, and mortality improvements over time.

## SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427

Notes to Financial Statements (continued)

June 30, 2016

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### **Teacher Health Insurance Security (THIS)**

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state administered participating provider option plan or choose from several managed care options. Annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund, and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to THIS Fund.

The percentage of employer required contributions in the future will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year.

**On Behalf Contributions to THIS Fund.** The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members, which were 1.07% of pay during the year ended June 30, 2016. State of Illinois contributions were \$274,557, and the district recognized revenue and expenditures of this amount during the year.

**Employer contributions to THIS Fund.** The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.80% during the year ended June 30, 2016. For the year ended June 30, 2016, the District paid \$205,277 to the THIS Fund, which was 100% of the required contribution.

**Further Information on THIS Fund.** The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

### **NOTE 7. COMMON BANK ACCOUNT**

Separate bank accounts are not maintained for all District funds; instead, certain funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

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**NOTE 8. ESSIE B. SMITH TRUST FUND**

On March 28, 1973, Lucien T. Smith, then president of the Essie B. Smith Foundation, contributed to the District monies to be held and administered in a fund to be called the Essie B. Smith Fund.

The fund shall provide Scholarships for qualifying individuals, which may be determined solely by the Board of Education.

After the death of Lucien T. Smith, all principal of the fund is being held, consumed, or used by the Board of Education as it may determine for any lawful purpose, including in the general operating accounts.

As of June 30, 2016 the Fund consisted of the following items:

Cash	\$ 5,099
Government Securities and Investment Pool	<u>866,696</u>
Total Value of Fund	<u><u>\$ 871,795</u></u>

**NOTE 9. SPECIAL TAX LEVIES**

Proceeds from the Special Educational levy and related expenditures disbursed have been included in the operations of the General Fund's Educational Account. At June 30, 2016, the cumulative expenditures had exceeded related cumulative revenues.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

**NOTE 10. EXCESS OF EXPENDITURES OVER BUDGETS IN INDIVIDUAL FUNDS**

Expenditures exceeded the budgeted amount in the following Funds:

	Budget	Actual	(Excess)
Transportation Fund	\$ 2,001,272	\$ 2,068,036	\$ (66,764)
Municipal Retirement Fund	\$ 1,372,579	\$ 1,423,083	\$ (50,504)

The expenditure variances were sufficiently absorbed by surpluses that existed at the beginning of the fiscal year and were approved by the Board of Education. Under the State Budget Act, expenditures may exceed the budget if additional resources are available to finance such expenditures.

**NOTE 11. RISK MANAGEMENT**

The District has purchased insurance through a risk pool (see Note 13) and from private insurance companies. Risks covered include general liability, workers compensation, and other. Premiums have been displayed as expenditures in appropriate funds. The District also operates a self-insurance program for medical coverage for employees (see Note 12). No significant reductions in insurance coverage have occurred from the prior year, and no settlements have been made in the last three years which exceeded any insurance coverage.

**NOTE 12. SELF-INSURANCE PLAN/RESTRICTED FUND BALANCE**

The District maintains a self-insurance plan to provide medical insurance to its employees. An outside administrator administers claims for a fixed fee per enrolled employee. The District makes periodic payments to an escrow account established by the plan administrator. The administrator pays employee claims from this escrow account and requires the District to cover any deficiencies. The District liability is limited by private insurance which provides a \$100,000 specific stop loss and a minimum aggregate stop loss of the monthly aggregate deductible factors multiplied by 12.

Cumulative District and employee contributions to the plan have exceeded claims paid as of June 30, 2016, and accordingly the General Fund's Educational account fund balance is restricted in the amount of \$406,231, the cumulative excess.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors.

A summary of the changes in the Districts claim liability is as follows:

	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2016
Claims liability at July 1	\$ 438,841	\$ 319,337
Current year claims and changes in estimates	3,435,136	4,067,459
Claim payments	<u>(3,554,640)</u>	<u>(3,991,121)</u>
Claims liability at June 30	<u>\$ 319,337</u>	<u>\$ 395,675</u>

**NOTE 13. COLLECTIVE LIABILITY INSURANCE COOPERATIVE (CLIC)**

The District is a member of CLIC, which has been formed to provide casualty, workman’s compensation, property and liability protections, and to administer some or all insurance coverages and protection other than health, life, and accident coverages procured by the member districts. It is intended, by the creation of CLIC, to allow a member District to equalize annual fluctuations in insurance costs by establishing a program whereby reserves may be created and temporary deficits of individual Districts covered to ultimately equalize the risks and stabilize the costs of providing casualty, property, and liability protections. If, during any fiscal year, the funds on hand in the account of CLIC are not sufficient to pay expenses of administration, the Board of Directors shall require supplementary payment from all members. Such payment shall be made in the same proportion as prior payments during that year to CLIC. Complete financial statements for CLIC can be obtained from its administrator, 555 North Main Street, Wauconda, Illinois 60084.

**NOTE 14. JOINT VENTURE - NORTHWESTERN ILLINOIS ASSOCIATION (NIA)**

The District and other local districts have entered into a joint agreement to provide special education programs and services to the students enrolled. Each member district has a financial responsibility for annual and special assessments as established by the policy board.

Complete financial statements for the Association can be obtained from the Administrative Offices at 245 W. Exchange, Sycamore, Illinois 60178.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Financial Statements (continued)  
June 30, 2016

**NOTE 15. INTERFUND TRANSFERS**

The following interfund transfers were made during the year ended June 30, 2016:

Transfer From	Transfer To	Amount
Transportation Fund	General Fund	\$ 4,000,000
General Fund	Debt Service Fund	342,978
	Total Transfers	\$ 4,342,978

The \$4,000,000 transfer to the General Fund was made to fund general expenditures. Transfers from the General Fund to the Debt Service Fund were made to provide funds for the debt service payments on loans.

**NOTE 18. FUND BALANCE REPORTING**

According to Government Accounting Standards, fund balances are to be classified into five major classifications: Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash (i.e. inventories and prepaid amounts).

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions not controlled by the entity, such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories:

1. Special Education

Revenues and the related expenditures of this restricted tax levy are accounted for in the Educational Account. Expenditures exceeded revenue for this purpose, resulting in no restricted fund balance.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**

Notes to Financial Statements (continued)

June 30, 2016

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2. State and Federal Grants

Proceeds from state and federal grants and the related expenditures have been included in the General Fund and various Special Revenue Funds. At June 30, 2016, expenditures exceeded revenue from state and federal grants, resulting in no restricted balances.

3. Social Security

Expenditures and the related revenues of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Expenditures exceeded revenues for this purpose, resulting in no restricted fund balance. Any remaining balance is restricted for Municipal Retirement purposes.

4. Capital Projects Funds

Expenditures and the related revenues are accounted for in the Capital Projects Fund. All equity within this fund is restricted for the associated capital expenditures within the fund.

5. Health Plan

The Educational Account has \$406,231 restricted for the excess balance currently held for the self-insurance expenditures. See Note 12 for further information.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the School Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

D. Assigned Fund Balance

The assigned fund balance classification refers to the amounts that are constrained by the government's intent to be used for a specific purpose but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**

Notes to Financial Statements (continued)

June 30, 2016

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E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds.

F. Expenditures of Fund Balance

Unless specifically identified, expenditures disbursed act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures disbursed for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY**  
**AND RELATED RATIOS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**LAST TWO CALENDAR YEARS**

	<u>2015</u>	<u>2014</u>
<b>TOTAL PENSION LIABILITY</b>		
Service Cost	\$ 1,388,440	\$ 1,400,194
Interest	4,485,677	4,042,334
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	395,476	292,440
Changes of Assumptions	153,594	2,416,949
Benefit Payments, Including Refunds of Member Contributions	<u>(2,321,740)</u>	<u>(1,988,160)</u>
Net Change in Total Pension Liability	4,101,447	6,163,757
Total Pension Liability - Beginning	<u>60,355,525</u>	<u>54,191,768</u>
<b>TOTAL PENSION LIABILITY - ENDING</b>	<u>\$ 64,456,972</u>	<u>\$ 60,355,525</u>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - Employer	\$ 1,598,850	\$ 1,587,403
Contributions - Member	611,052	571,109
Net Investment Income	268,097	3,065,478
Benefit Payments, Including Refunds of Member Contributions	(2,321,740)	(1,988,160)
Other (Net Transfer)	<u>(37,832)</u>	<u>270,854</u>
Net Change in Plan Fiduciary Net Position	118,427	3,506,684
Plan Net Position - Beginning	<u>53,675,244</u>	<u>50,168,560</u>
<b>PLAN NET POSITION - ENDING</b>	<u>\$ 53,793,671</u>	<u>\$ 53,675,244</u>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<u>\$ 10,663,301</u>	<u>\$ 6,680,281</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.46%	88.93%
Covered-Employee Payroll	\$ 13,143,197	\$ 12,239,044
Employer's Net Pension Liability as a Percentage of Covered - Employee Payroll	81.13%	54.58%

The District implemented GASB Statement No. 68 in fiscal year 2015.  
Information prior to fiscal year 2015 is not available.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**LAST TWO FISCAL YEARS**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 1,629,702	\$ 1,587,403	\$ 42,299	\$ 12,565,162	12.63%
2016	1,586,384	1,598,850	(12,466)	13,143,197	12.16%

**Notes to Schedule**

Valuation date: Actuarially determined contribution rates are calculated as of December 31 of each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	28-years
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	4.00%
Inflation	3.00%
Salary increases	4.40% to 16.00% including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008 - 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

The District implemented GASB Statement No. 68 in fiscal year 2015.  
Information prior to fiscal year 2015 is not available.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**  
**NET PENSION LIABILITY**  
**TEACHERS' RETIREMENT SYSTEM**  
**LAST TWO FISCAL YEARS**

	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.00465%	0.00565%
District's proportionate share of the net pension liability	\$ 3,046,853	\$ 3,440,815
State's proportionate share of the net pension liability associated with the District	<u>147,170,934</u>	<u>137,595,169</u>
Total	<u>\$ 150,217,787</u>	<u>\$ 141,035,984</u>
District's covered payroll	\$ 25,659,568	\$ 22,728,964
District's proportionate share of the net pension liability as a percentage of it's covered payroll	11.87%	15.14%
Plan fiduciary net position as a percentage of the total pension liability	41.50%	43.00%

**Notes to Schedule**

*Changes of assumptions*

Amounts reported in 2015 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and salary increases that vary by service credit. In 2014, assumptions used were an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and salary increases of 5.75 percent.

The District implemented GASB Statement No. 68 in fiscal year 2015.  
Information prior to fiscal year 2015 is not available.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**TEACHERS' RETIREMENT SYSTEM**  
**LAST TWO FISCAL YEARS**

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Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 497,549	\$ 497,549	\$ -	\$ 22,728,964	2.19%
2016	365,353	365,353	-	25,659,568	1.42%

The District implemented GASB Statement No. 68 in fiscal year 2015.  
Information prior to fiscal year 2015 is not available.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**

Schedule of Funding Progress (unaudited)

Other Postemployment Benefits

June 30, 2016

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b-a)/c]</b>
7/1/2016	\$ -	\$ 3,927,476	\$ 3,927,476	0.00%	N/A	N/A
7/1/2015	-	3,647,622	3,647,622	0.00%	N/A	N/A
7/1/2014	-	3,525,968	3,525,968	0.00%	N/A	N/A
7/1/2013	-	3,004,609	3,004,609	0.00%	N/A	N/A
7/1/2012	-	2,808,828	2,808,828	0.00%	N/A	N/A
7/1/2011	-	2,240,514	2,240,514	0.00%	N/A	N/A

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**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2016**

	General		
	Original and final Budget	Actual	Variance Over/Under
<b>REVENUES</b>			
Local sources	\$ 28,478,650	\$ 26,821,212	\$ (1,657,438)
State sources	18,010,278	18,949,094	938,816
Federal sources	1,643,973	1,920,198	276,225
<b>Total Revenues</b>	<b>48,132,901</b>	<b>47,690,504</b>	<b>(442,397)</b>
<b>EXPENDITURES</b>			
Current:			
Instruction	32,532,021	32,693,546	(161,525)
Support services	15,343,055	14,839,381	503,674
Community services	548,316	494,913	53,403
Non-programmed charges	1,773,229	1,749,524	23,705
Debt service:			
Principal	-	-	-
Interest and fiscal charges	110,868	144,602	(33,734)
Provision for contingencies	150,000	-	150,000
<b>Total Expenditures</b>	<b>50,457,489</b>	<b>49,921,966</b>	<b>535,523</b>
Excess (deficiency) of revenues over expenditures	(2,324,588)	(2,231,462)	93,126
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	4,000,000	4,000,000	-
Transfers out	(194,761)	(342,978)	(148,217)
<b>Total other financing sources (uses)</b>	<b>3,805,239</b>	<b>3,657,022</b>	<b>(148,217)</b>
Net changes in fund balance	<u>\$ 1,480,651</u>	1,425,560	<u>\$ (55,091)</u>
Fund Balance at beginning of year		<u>4,276,313</u>	
<b>FUND BALANCE AT END OF YEAR</b>		<u><b>\$ 5,701,873</b></u>	

Transportation		
Original and final Budget	Actual	Variance Over/Under
\$ 1,790,000	\$ 2,006,321	\$ 216,321
515,000	1,040,465	525,465
-	-	-
<u>2,305,000</u>	<u>3,046,786</u>	<u>741,786</u>
-	-	-
1,646,067	1,710,340	(64,273)
-	-	-
-	-	-
21,435	23,927	(2,492)
333,770	333,769	1
-	-	-
<u>2,001,272</u>	<u>2,068,036</u>	<u>(66,764)</u>
<u>303,728</u>	<u>978,750</u>	<u>675,022</u>
-	-	-
<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>-</u>
<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>-</u>
<u>\$ (3,696,272)</u>	<u>(3,021,250)</u>	<u>\$ 675,022</u>
	<u>5,092,654</u>	
	<u>\$ 2,071,404</u>	

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
Notes to Required Supplementary Information  
June 30, 2016

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**Budgetary Data**

Annual budgets for all Governmental Funds are adopted on the modified accrual basis, consistent with generally accepted accounting principles (GAAP) for local governments.

The Board of Education follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law. The budget, which was not amended, was adopted on August 25, 2015.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, the Debt Service Fund, and the Capital Projects Fund.
6. The District has adopted a legal budget for all its Governmental Funds. Total actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act, expenditures may exceed the budget if additional resources are available to finance such expenditures.
7. The budget (all appropriations) lapses at the end of each fiscal year.
8. The District's actual expenditures in the Transportation Fund and Municipal Retirement/Social Security Fund exceeded budgeted expenditures. Additional sources are available to finance these excess expenditures as allowed under the State Budget Act. See Note 10 for these excess expenditure amounts.

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

## **GENERAL FUND**

To account for resources traditionally associated with government operations, which are not accounted for in another fund, the District maintains the following legally mandated accounts within the General Fund:

**Educational Account** - to account for most of the instructional and administrative aspects of the District's operations.

**Operations and Maintenance Account** - to account for repair and maintenance of the District's property.

**Working Cash Account** - to account for financial resources held by the District to be used as loans for working capital requirements for any other fund to which taxes are levied.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**BALANCE SHEET BY ACCOUNT**  
**GENERAL FUND**  
**JUNE 30, 2016**

<u>ASSETS</u>	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Working Cash</u>	<u>Total General</u>
Cash and Investments	\$ 1,364,478	\$ 1,889,324	\$ 3,997,896	\$ 7,251,698
Receivables:				
Property taxes	9,211,109	1,355,694	94,712	10,661,515
Due from other funds	-	-	332,180	332,180
Due from other governments	1,288,144	39,233	-	1,327,377
Prepaid items	80,492	16,025	-	96,517
<b>TOTAL ASSETS</b>	<b>\$ 11,944,223</b>	<b>\$ 3,300,276</b>	<b>\$ 4,424,788</b>	<b>\$ 19,669,287</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ 239,185	\$ 149,338	\$ -	\$ 388,523
Accrued salaries	3,813,749	633	-	3,814,382
Accrued insurance claims	395,675	-	-	395,675
Due to other funds	332,180	-	-	332,180
<b>Total liabilities</b>	<b>4,780,789</b>	<b>149,971</b>	<b>-</b>	<b>4,930,760</b>
<b>Deferred inflows:</b>				
Unavailable property taxes	7,807,582	1,148,813	80,259	9,036,654
<b>Fund balance:</b>				
Nonspendable				
Prepaid items	80,492	16,025	-	96,517
Restricted				
Health plan	406,231	-	-	406,231
Unassigned	(1,130,871)	1,985,467	4,344,529	5,199,125
<b>Total fund balance (deficit)</b>	<b>(644,148)</b>	<b>2,001,492</b>	<b>4,344,529</b>	<b>5,701,873</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>	<b>\$ 11,944,223</b>	<b>\$ 3,300,276</b>	<b>\$ 4,424,788</b>	<b>\$ 19,669,287</b>

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES BY ACCOUNT**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2016**

	Educational	Operations and Maintenance	Working Cash	Total General
<b>REVENUES</b>				
Local sources	\$ 23,129,857	\$ 3,485,996	\$ 205,359	\$ 26,821,212
State sources	18,949,094	-	-	18,949,094
Federal sources	1,920,198	-	-	1,920,198
<b>Total revenues</b>	<b>43,999,149</b>	<b>3,485,996</b>	<b>205,359</b>	<b>47,690,504</b>
<b>EXPENDITURES</b>				
Current:				
Instruction	32,693,546	-	-	32,693,546
Support services	10,884,662	3,954,719	-	14,839,381
Community services	494,913	-	-	494,913
Non-programmed charges	1,748,153	1,371	-	1,749,524
Debt service	144,602	-	-	144,602
<b>Total expenditures</b>	<b>45,965,876</b>	<b>3,956,090</b>	<b>-</b>	<b>49,921,966</b>
Excess (deficiency) of revenues over over expenditures	(1,966,727)	(470,094)	205,359	(2,231,462)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,000,000	-	-	4,000,000
Transfers out	(200,290)	(142,688)	-	(342,978)
<b>Total other financing sources (uses)</b>	<b>3,799,710</b>	<b>(142,688)</b>	<b>-</b>	<b>3,657,022</b>
Net change in fund balance	1,832,983	(612,782)	205,359	1,425,560
Fund balance (deficit) at beginning of year	(2,477,131)	2,614,274	4,139,170	4,276,313
<b>FUND BALANCE (DEFICIT)</b> <b>AT END OF YEAR</b>	<b>\$ (644,148)</b>	<b>\$ 2,001,492</b>	<b>\$ 4,344,529</b>	<b>\$ 5,701,873</b>

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	2016		2015
	Budget	Actual	Actual
<b>REVENUES</b>			
Local Sources:			
General tax levy	\$ 17,568,804	\$ 16,367,574	\$ 15,955,036
Facilities lease levy	216,813	208,891	206,375
Special education levy	3,912,709	3,226,152	2,965,076
Corporate replacement taxes	500,000	433,804	597,127
Earnings on investments	20,000	39,818	18,813
Food services	612,000	634,511	609,606
Pupil activities	706,000	858,163	746,625
Textbooks	361,400	413,374	390,161
Tuition	89,126	98,459	95,598
Contributions from other sources	569,500	739,624	651,154
Services provided other districts	54,314	-	124,188
Local fees	66,000	53,936	66,954
Other	92,113	55,551	154,249
<b>Total local sources</b>	<b>24,768,779</b>	<b>23,129,857</b>	<b>22,580,962</b>
State Sources:			
General state aid	8,191,396	8,189,929	7,096,230
Special education	1,537,000	1,891,206	1,857,685
Summer school	9,100	25,624	15,756
Vocational education	2,000	1,963	2,244
Bilingual education	10,000	668	18,347
School lunch aid	10,000	2,992	4,536
Driver education	38,000	49,065	46,834
On behalf payments - State of Illinois	8,100,000	8,630,188	7,701,986
Other grants-in-aid	112,782	157,459	287,915
<b>Total state sources</b>	<b>18,010,278</b>	<b>18,949,094</b>	<b>17,031,533</b>
Federal Sources:			
School lunch programs	395,000	365,033	412,933
IDEA - Flow Through	690,174	883,311	717,589
IDEA -Pre school	8,799	6,475	6,879
Title II	65,000	86,178	38,273
Title I - Low income	200,000	369,017	207,877
Medicaid matching/administrative outreach	285,000	197,968	366,528
Other	-	12,216	99,275
<b>Total federal sources</b>	<b>1,643,973</b>	<b>1,920,198</b>	<b>1,849,354</b>
<b>Total revenues</b>	<b>\$ 44,423,030</b>	<b>\$ 43,999,149</b>	<b>\$ 41,461,849</b>

(Continued)

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	2016		2015
	Budget	Actual	Actual
<b>EXPENDITURES</b>			
Instruction:			
Regular programs:			
Salaries	\$ 12,701,633	\$ 12,470,417	\$ 12,519,333
Employee benefits	3,464,362	3,335,456	2,703,324
On behalf payments - State of Illinois	8,100,000	8,630,188	7,701,986
Purchased services	79,545	59,602	37,394
Supplies and materials	385,856	387,725	398,612
Capital outlay	157,600	421,564	321,271
Other	13,125	12,051	-
Non-capitalized equipment	37,219	43,244	64,425
<b>Total</b>	<b>24,939,340</b>	<b>25,360,247</b>	<b>23,746,345</b>
Special programs:			
Salaries	3,662,892	3,649,737	3,796,611
Employee benefits	1,110,861	1,116,827	1,150,670
Purchased services	15,190	22,322	11,286
Supplies and materials	62,514	36,145	68,006
Other objects	-	734	-
Non-capitalized equipment	1,500	5,484	5,507
<b>Total</b>	<b>4,852,957</b>	<b>4,831,249</b>	<b>5,032,080</b>
Remedial programs:			
Purchased services	-	99	-
Supplies and materials	-	37,758	8,814
Non-capitalized equipment	-	1,686	-
<b>Total</b>	<b>-</b>	<b>39,543</b>	<b>8,814</b>
Vocational programs:			
Salaries	505,016	459,754	461,261
Employee benefits	108,271	86,306	92,589
Purchased services	4,800	2,730	2,666
Supplies and materials	38,700	33,738	31,034
Other	234,751	156,721	194,520
Non-capitalized equipment	1,000	-	1,140
<b>Total</b>	<b>\$ 892,538</b>	<b>\$ 739,249</b>	<b>\$ 783,210</b>

(Continued)

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	2016		2015
	Budget	Actual	Actual
<b>Interscholastic programs:</b>			
Salaries	\$ 804,338	\$ 738,323	\$ 783,927
Employee benefits	121,191	112,498	115,711
Purchased services	180,675	171,425	178,834
Supplies and materials	134,500	107,669	193,896
Capital outlay	10,700	13,942	7,341
Other	40,750	40,352	48,086
Non-capitalized equipment	11,000	5,619	7,629
<b>Total</b>	<b>1,303,154</b>	<b>1,189,828</b>	<b>1,335,424</b>
<b>Summer school programs:</b>			
Salaries	32,000	27,904	30,639
Employee benefits	3,900	3,515	3,668
Supplies and Materials	6,500	1,307	-
<b>Total</b>	<b>42,400</b>	<b>32,726</b>	<b>34,307</b>
<b>Drivers education programs:</b>			
Salaries	195,016	199,343	165,464
Employee benefits	52,475	48,668	44,304
Purchased services	160	50	-
Supplies and materials	4,250	1,638	2,646
<b>Total</b>	<b>251,901</b>	<b>249,699</b>	<b>212,414</b>
<b>Bilingual programs:</b>			
Salaries	186,164	182,354	179,889
Employee benefits	63,567	56,925	61,282
Purchased services	-	1,232	795
Supplies and materials	-	2,446	694
Non capitalized equipment	-	8,048	-
<b>Total</b>	<b>249,731</b>	<b>251,005</b>	<b>242,660</b>
<b>Total instruction</b>	<b>\$ 32,532,021</b>	<b>\$ 32,693,546</b>	<b>\$ 31,395,254</b>

(Continued)

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	2016		2015
	Budget	Actual	Actual
Support Services:			
Pupils:			
Attendance and social work services:			
Salaries	\$ 482,008	\$ 441,416	\$ 424,067
Employee benefits	163,965	143,249	127,948
Purchased services	7,500	7,255	6,800
Supplies and materials	-	-	100
Non capitalized equipment	-	7,830	-
<b>Total</b>	<b>653,473</b>	<b>599,750</b>	<b>558,915</b>
Guidance services:			
Salaries	380,653	402,943	388,595
Employee benefits	75,422	77,064	69,213
Purchased services	850	241	427
Supplies and materials	8,000	2,794	736
Other	-	-	70
<b>Total</b>	<b>464,925</b>	<b>483,042</b>	<b>459,041</b>
Health services:			
Salaries	512,673	517,725	487,848
Employee benefits	125,577	112,302	116,277
Purchased services	241,900	271,225	273,786
Supplies and materials	12,000	7,191	8,435
Capital outlay	2,100	1,733	2,913
Non-capitalized equipment	-	-	344
<b>Total</b>	<b>894,250</b>	<b>910,176</b>	<b>889,603</b>
Psychological services:			
Salaries	360,024	364,171	324,565
Employee benefits	64,218	68,982	45,734
Purchased services	800	270	337
Supplies and materials	-	-	1,894
<b>Total</b>	<b>425,042</b>	<b>433,423</b>	<b>372,530</b>
Speech pathology/audiology services:			
Salaries	451,035	398,446	388,540
Employee benefits	130,999	123,193	111,407
Purchased services	400	329	213
Supplies and materials	1,200	1,200	1,477
<b>Total</b>	<b>\$ 583,634</b>	<b>\$ 523,168</b>	<b>\$ 501,637</b>

(Continued)

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	2016		2015
	Budget	Actual	Actual
Other:			
Purchased services	\$ 137,000	\$ 137,000	\$ 137,589
Supplies and materials	7,500	2,895	9,788
<b>Total</b>	<b>144,500</b>	<b>139,895</b>	<b>147,377</b>
Instructional Staff:			
Improvement of instruction services:			
Salaries	242,669	194,376	242,372
Employee benefits	58,470	59,836	64,597
Purchased services	88,750	59,086	65,193
Supplies and materials	264,940	191,360	227,217
Capital outlay	500	-	-
Other	1,500	1,250	1,426
Non-capitalized equipment	8,000	-	10,872
<b>Total</b>	<b>664,829</b>	<b>505,908</b>	<b>611,677</b>
Education media services:			
Salaries	748,921	780,234	811,663
Employee benefits	190,135	189,426	210,512
Purchased services	463,400	360,564	284,061
Supplies and materials	163,974	119,815	197,578
Capital outlay	60,000	-	16,932
Non-capitalized equipment	146,230	263,855	168,579
<b>Total</b>	<b>1,772,660</b>	<b>1,713,894</b>	<b>1,689,325</b>
Assessment/Testing:			
Employee Benefits	-	-	5
Purchased services	7,000	3,442	5,320
Supplies and materials	10,000	4,898	9,848
<b>Total</b>	<b>17,000</b>	<b>8,340</b>	<b>15,173</b>
Board of Education services:			
Salaries	19,868	23,282	22,519
Employee benefits	95,155	3,162	3,116
Purchased services	690,554	577,288	781,852
Supplies and materials	20,000	20,592	23,985
Other	32,300	16,306	50,801
Termination benefits	65,680	310,580	-
<b>Total</b>	<b>\$ 923,557</b>	<b>\$ 951,210</b>	<b>\$ 882,273</b>

(Continued)

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	2016		2015
	Budget	Actual	Actual
<b>Executive administration services:</b>			
Salaries	\$ 225,848	\$ 228,706	\$ 224,062
Employee benefits	55,693	62,556	60,431
Purchased services	16,000	9,237	9,043
Supplies and materials	6,000	3,670	5,049
Other	10,000	2,589	3,497
<b>Total</b>	<b>313,541</b>	<b>306,758</b>	<b>302,082</b>
<b>Special area administrative services:</b>			
Salaries	118,743	112,911	119,536
Employee benefits	22,724	22,724	22,476
<b>Total</b>	<b>141,467</b>	<b>135,635</b>	<b>142,012</b>
<b>School Administration:</b>			
<b>Office of the principal:</b>			
Salaries	1,413,708	1,411,487	1,366,629
Employee benefits	454,973	438,921	411,424
Purchased services	35,830	20,680	48,609
Supplies and materials	37,500	27,605	33,255
Other	12,994	6,337	5,804
<b>Total</b>	<b>1,955,005</b>	<b>1,905,030</b>	<b>1,865,721</b>
<b>Other support services:</b>			
Salaries	98,376	97,190	100,923
Employee benefits	16,503	12,397	12,834
<b>Total</b>	<b>114,879</b>	<b>109,587</b>	<b>113,757</b>
<b>Business:</b>			
<b>Direction of business:</b>			
Salaries	50,000	52,500	54,600
Employee benefits	24,414	18,246	13,486
Purchased services	2,000	1,156	1,232
<b>Total</b>	<b>76,414</b>	<b>71,902</b>	<b>69,318</b>
<b>Fiscal services:</b>			
Salaries	342,683	347,652	283,767
Employee benefits	69,416	81,907	52,718
Purchased services	15,720	12,266	11,868
Supplies and materials	12,000	10,909	9,705
Other	35,000	44,503	1,707
<b>Total</b>	<b>\$ 474,819</b>	<b>\$ 497,237</b>	<b>\$ 359,765</b>

(Continued)

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	2016		2015
	Budget	Actual	Actual
Operations and maintenance:			
Purchased services	\$ 4,500	\$ 4,067	\$ 22,203
Pupil transportation services:			
Purchased services	1,700	-	-
Supplies and materials	-	248	-
Total	1,700	248	-
Food services:			
Salaries	64,000	57,572	56,604
Employee benefits	12,000	10,206	7,903
Purchased services	910,500	843,999	895,635
Supplies and materials	13,000	992	1,560
Capital outlay	2,200	2,245	-
Total	1,001,700	915,014	961,702
Internal services:			
Salaries	10,000	8,367	9,362
Purchased services	31,372	20,751	21,339
Total	41,372	29,118	30,701
Central:			
Planning, research, development and evaluation services:			
Purchased services	2,000	-	-
Total	2,000	-	-
Information services:			
Purchased services	123,000	136,130	116,958
Total	\$ 123,000	\$ 136,130	\$ 116,958

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	2016		2015
	Budget	Actual	Actual
Staff services:			
Salaries	\$ 106,199	\$ 91,347	\$ 108,955
Employee benefits	14,412	12,092	14,173
Purchased services	10,700	6,361	20,977
Supplies and materials	46,900	14,560	27,415
Other	2,000	976	937
<b>Total</b>	<b>180,211</b>	<b>125,336</b>	<b>172,457</b>
Data processing services:			
Salaries	76,322	76,322	74,825
Employee benefits	19,887	19,112	18,971
Purchased services	69,075	57,943	88,795
<b>Total</b>	<b>165,284</b>	<b>153,377</b>	<b>182,591</b>
Other support services:			
Salaries	108,883	109,235	116,468
Employee benefits	114,724	116,837	373,186
Purchased services	1,500	345	-
<b>Total</b>	<b>225,107</b>	<b>226,417</b>	<b>489,654</b>
<b>Total Support Services</b>	<b>11,364,869</b>	<b>10,884,662</b>	<b>10,956,472</b>
Community Services:			
Salaries	351,336	347,082	450,889
Employee benefits	28,592	18,376	19,333
Purchased services	82,200	56,138	57,295
Supplies and materials	86,138	72,887	73,762
Other	50	430	-
<b>Total Community Services</b>	<b>548,316</b>	<b>494,913</b>	<b>601,279</b>
Non-programmed charges	1,773,229	1,748,153	1,601,076
Debt service	110,868	144,602	105,334
Provision for contingencies	150,000	-	-
<b>Total expenditures</b>	<b>46,479,303</b>	<b>45,965,876</b>	<b>44,659,415</b>
Deficiency of revenues over expenditures	\$ (2,056,273)	\$ (1,966,727)	\$ (3,197,566)

(Continued)

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EDUCATIONAL ACCOUNT**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	<u>2016</u>		<u>2015</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 4,000,000	\$ 4,000,000	\$ -
Transfers out	(332,285)	(200,290)	(334,235)
Loan proceeds	-	-	203,050
Sale of capital assets	-	-	170
	<u>3,667,715</u>	<u>3,799,710</u>	<u>(131,015)</u>
Total other financing sources (uses)			
Net change in fund balance	<u>\$ 1,611,442</u>	1,832,983	(3,328,581)
Fund balance (deficit) at beginning of year		<u>(2,477,131)</u>	<u>851,450</u>
FUND BALANCE (DEFICIT) AT END OF YEAR		<u>\$ (644,148)</u>	<u>\$ (2,477,131)</u>

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**OPERATIONS AND MAINTENANCE ACCOUNT**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	2016		2015
	Budget	Actual	Actual
<b>REVENUES</b>			
Local Sources:			
General tax levy	\$ 3,063,286	\$ 2,939,750	\$ 2,904,856
Corporate replacement taxes	150,000	177,464	194,588
Earnings on investments	500	-	111,799
Pupil activities	64,000	60,505	70,080
Rentals	78,100	123,924	69,392
Donations from developers	145,000	181,880	145,522
Other	-	2,473	-
<b>Total Local Sources</b>	<b>3,500,886</b>	<b>3,485,996</b>	<b>3,496,237</b>
<b>Total revenues</b>	<b>3,500,886</b>	<b>3,485,996</b>	<b>3,496,237</b>
<b>EXPENDITURES</b>			
Support Services Business:			
Facilities acquisition and construction services:			
Purchased services	48,000	27,814	22,965
Supplies and materials	8,500	-	1,432
Capital outlay	353,300	222,848	422,883
<b>Total</b>	<b>409,800</b>	<b>250,662</b>	<b>447,280</b>
Operations and maintenance of plant services:			
Salaries	1,325,726	1,330,274	1,443,909
Employee benefits	285,365	294,347	335,857
Purchased services	669,295	798,855	582,473
Supplies and materials	1,251,000	1,261,003	1,243,229
Capital outlay	18,500	5,872	22,530
Other	10,000	10,266	36,355
Non capitalized equipment	8,500	3,440	4,184
<b>Total</b>	<b>3,568,386</b>	<b>3,704,057</b>	<b>3,668,537</b>
Other payments to government units - in state:			
Other	-	1,371	680
<b>Total</b>	<b>-</b>	<b>1,371</b>	<b>680</b>
<b>Total support services</b>	<b>3,978,186</b>	<b>3,956,090</b>	<b>4,116,497</b>
<b>Total expenditures</b>	<b>3,978,186</b>	<b>3,956,090</b>	<b>4,116,497</b>
<b>Deficiency of revenues over expenditures</b>	<b>\$ (477,300)</b>	<b>\$ (470,094)</b>	<b>\$ (620,260)</b>

(Continued)

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**OPERATIONS AND MAINTENANCE ACCOUNT**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	2016		2015
	Budget	Actual	Actual
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ -	\$ -	\$ 2,000,000
Transfers out	(194,761)	(142,688)	(2,036,940)
Sale of capital assets	5,000	-	5,224
	<u>(189,761)</u>	<u>(142,688)</u>	<u>(31,716)</u>
Total other financing sources (uses)			
	<u>(189,761)</u>	<u>(142,688)</u>	<u>(31,716)</u>
Net change in fund balance	<u>\$ (667,061)</u>	(612,782)	(651,976)
Fund balance at beginning of year		<u>2,614,274</u>	<u>3,266,250</u>
FUND BALANCE AT END OF YEAR		<u>\$ 2,001,492</u>	<u>\$ 2,614,274</u>

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**WORKING CASH ACCOUNT**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	2016		2015
	Budget	Actual	Actual
<b>REVENUES</b>			
Local Sources:			
General tax levy	\$ 208,985	\$ 205,359	\$ 204,390
Earnings on investments	-	-	818
Total local sources	<u>208,985</u>	<u>205,359</u>	<u>205,208</u>
Total revenues	<u>208,985</u>	<u>205,359</u>	<u>205,208</u>
Excess of revenues over expenditures	<u>208,985</u>	<u>205,359</u>	<u>205,208</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	-	(2,104,000)
Face amount of refunding bonds issued	-	-	105,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,999,000)</u>
Net change in fund balance	<u>\$ 208,985</u>	205,359	(1,793,792)
Fund balance at beginning of year		<u>4,139,170</u>	<u>5,932,962</u>
<b>FUND BALANCE AT END OF YEAR</b>		<u>\$ 4,344,529</u>	<u>\$ 4,139,170</u>

### **MAJOR SPECIAL REVENUE FUND**

**Transportation Fund** - to account for activity relating to student transportation to and from school.

### **MAJOR DEBT SERVICE FUND**

**Debt Service Fund** - to account for the accumulation of, resources for, and the payment of, general long-term debt principal, interest, and related costs.

### **MAJOR CAPITAL PROJECTS FUND**

**Capital Projects Fund** - to account for financial resources to be used for the acquisition or construction of major capital facilities.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MAJOR SPECIAL REVENUE FUND - TRANSPORTATION FUND**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	2016		2015
	Budget	Actual	Actual
<b>REVENUES</b>			
Local Sources:			
General tax levy	\$ 1,650,000	\$ 1,861,097	\$ 1,392,784
Transportation fees	140,000	145,171	147,289
Earnings on investments	-	-	(3,962)
Other	-	53	-
Total local sources	<u>1,790,000</u>	<u>2,006,321</u>	<u>1,536,111</u>
State Sources:			
Transportation aid	<u>515,000</u>	<u>1,040,465</u>	<u>1,004,257</u>
Total state sources	<u>515,000</u>	<u>1,040,465</u>	<u>1,004,257</u>
Total revenues	<u>2,305,000</u>	<u>3,046,786</u>	<u>2,540,368</u>
<b>EXPENDITURES</b>			
Support Services:			
Pupil Transportation Services:			
Salaries	914,690	1,054,700	1,072,905
Employee benefits	192,487	216,581	214,185
Purchased services	229,440	160,205	111,534
Supplies and materials	308,150	276,354	301,937
Capital outlay	500	-	415,768
Other	800	2,500	250
Total pupil transportation	<u>1,646,067</u>	<u>1,710,340</u>	<u>2,116,579</u>
Total support services	<u>1,646,067</u>	<u>1,710,340</u>	<u>2,116,579</u>
Debt Service	<u>355,205</u>	<u>357,696</u>	<u>378,249</u>
Total expenditures	<u>2,001,272</u>	<u>2,068,036</u>	<u>2,494,828</u>
Excess (deficiency) of revenues over expenditures	<u>303,728</u>	<u>978,750</u>	<u>45,540</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers Out	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>-</u>
Total other financing sources	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (3,696,272)</u>	(3,021,250)	45,540
Fund balance at beginning of year		<u>5,092,654</u>	<u>5,047,114</u>
FUND BALANCE AT END OF YEAR		<u>\$ 2,071,404</u>	<u>\$ 5,092,654</u>

(Continued)

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MAJOR DEBT SERVICE FUND - DEBT SERVICE FUND**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	2016		2015
	Budget	Actual	Actual
<b>REVENUES</b>			
Local Sources:			
General tax levy	\$ 4,675,676	\$ 4,770,443	\$ 4,472,542
Earnings on investments	-	-	3,142
Total local sources	<u>4,675,676</u>	<u>4,770,443</u>	<u>4,475,684</u>
Total revenues	<u>4,675,676</u>	<u>4,770,443</u>	<u>4,475,684</u>
<b>EXPENDITURES</b>			
Debt service:			
Interest on bonds	2,167,848	1,799,680	1,969,146
Principal retired	2,840,000	3,169,643	3,351,550
Fiscal charges	-	20,700	103,265
Total expenditures	<u>5,007,848</u>	<u>4,990,023</u>	<u>5,423,961</u>
Excess (deficiency) of revenues over expenditures	<u>(332,172)</u>	<u>(219,580)</u>	<u>(948,277)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	464,644	342,978	475,175
Bonds issued at par	-	1,575,000	2,875,000
Payments to refunded bond escrow agent	-	(1,613,525)	(2,878,624)
Total other financing sources (uses)	<u>464,644</u>	<u>304,453</u>	<u>471,551</u>
Net change in fund balance	<u>\$ 132,472</u>	84,873	(476,726)
Fund balance at beginning of year		<u>2,753,578</u>	<u>3,230,304</u>
FUND BALANCE AT END OF YEAR		<u>\$ 2,838,451</u>	<u>\$ 2,753,578</u>

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MAJOR CAPITAL PROJECTS FUND - CAPITAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	2016		2015
	Budget	Actual	Actual
<b>REVENUES</b>			
None	\$ -	\$ -	\$ -
Total local sources	-	-	-
Total revenues	-	-	-
<b>EXPENDITURES</b>			
Support Services - Business:			
Facilities acquisition and construction services:			
Purchased services	30,000	-	42,369
Total support services	30,000	-	42,369
Capital outlay	150,000	-	2,533,640
Total expenditures	180,000	-	2,576,009
Deficiency of revenues over expenditures	(180,000)	-	(2,576,009)
<b>OTHER FINANCING SOURCES</b>			
Transfers in	-	-	2,000,000
Total other financing sources	-	-	2,000,000
Net change in fund balance	<u>\$ (180,000)</u>	-	(576,009)
Fund balance at beginning of year		541,215	1,117,224
FUND BALANCE AT END OF YEAR		<u>\$ 541,215</u>	<u>\$ 541,215</u>

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

To account for proceeds from specific revenue sources, which are designated to finance expenditures for specific purposes, the District maintains the following Special Revenue Funds:

**Municipal Retirement/Social Security Fund** - to account for the District's portion of pension contributions to the Illinois Municipal Retirement Fund and Social Security for noncertified employees.

### **CAPITAL PROJECTS FUND**

**Fire Prevention and Safety Fund** - to account for financial resources to be used for the acquisition, construction, and/or additions related to qualifying fire prevention and safety projects.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

<b><u>ASSETS</u></b>	<b>Municipal Retirement/ Social Security</b>	<b>Fire Prevention and Safety</b>	<b>Total Nonmajor Governmental Funds</b>
Cash and investments	\$ 184,410	\$ 1,263,363	\$ 1,447,773
Receivables:			
Property taxes	677,934	135,634	813,568
Due from other governments	19,527	-	19,527
<b>TOTAL ASSETS</b>	<b>\$ 881,871</b>	<b>\$ 1,398,997</b>	<b>\$ 2,280,868</b>
 <b><u>DEFERRED INFLOWS AND FUND BALANCES</u></b>			
<b>Deferred inflows:</b>			
Unavailable property taxes	\$ 574,357	\$ 114,831	\$ 689,188
 <b>Fund balances:</b>			
Restricted			
Employee Retirement	307,514	-	307,514
Capital Projects	-	1,284,166	1,284,166
 Total Fund Balances	 307,514	 1,284,166	 1,591,680
 <b>TOTAL DEFERRED INFLOWS AND FUND BALANCES</b>	 <b>\$ 881,871</b>	 <b>\$ 1,398,997</b>	 <b>\$ 2,280,868</b>

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2016**

	Municipal Retirement/ Social Security	Fire Prevention and Safety	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Local sources	\$ 1,578,480	\$ 294,081	\$ 1,872,561
Total Revenues	<u>1,578,480</u>	<u>294,081</u>	<u>1,872,561</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	578,076	-	578,076
Support services	844,929	13,200	858,129
Community services	78	-	78
Capital Outlay	-	16,864	16,864
Total Expenditures	<u>1,423,083</u>	<u>30,064</u>	<u>1,453,147</u>
Excess (deficiency) of revenues over expenditures	<u>155,397</u>	<u>264,017</u>	<u>419,414</u>
Fund Balances at beginning of year	<u>152,117</u>	<u>1,020,149</u>	<u>1,172,266</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u><u>\$ 307,514</u></u>	<u><u>\$ 1,284,166</u></u>	<u><u>\$ 1,591,680</u></u>

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	2016		2015
	Budget	Actual	Actual
<b>REVENUES</b>			
Local Sources:			
General tax levies	\$ 1,504,301	\$ 1,470,028	\$ 1,452,533
Corporate replacement taxes	100,000	108,452	118,533
Total local sources	<u>1,604,301</u>	<u>1,578,480</u>	<u>1,571,066</u>
Total revenues	<u>1,604,301</u>	<u>1,578,480</u>	<u>1,571,066</u>
<b>EXPENDITURES</b>			
Instruction - employee benefits	526,316	578,076	554,315
Support services - employee benefits	802,838	844,929	884,999
Community services - employee benefits	43,425	78	53,699
Total expenditures	<u>1,372,579</u>	<u>1,423,083</u>	<u>1,493,013</u>
Net change in fund balance	<u>\$ 231,722</u>	155,397	78,053
Fund balance at beginning of year		<u>152,117</u>	<u>74,064</u>
FUND BALANCE AT END OF YEAR		<u>\$ 307,514</u>	<u>\$ 152,117</u>

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FIRE PREVENTION AND SAFETY FUND**  
**YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE ACTUAL TOTALS FOR 2015**

	2016		2015
	Budget	Actual	Actual
<b>REVENUES</b>			
Local Sources:			
General tax levy	\$ 300,756	\$ 294,081	\$ 290,544
Total local sources	300,756	294,081	290,544
Total revenues	300,756	294,081	290,544
<b>EXPENDITURES</b>			
Support Services - Business:			
Facilities acquisition and construction services:			
Purchased services	30,000	13,200	3,350
Total	30,000	13,200	3,350
Total support services	30,000	13,200	3,350
Capital outlay	200,000	16,864	-
Total expenditures	230,000	30,064	3,350
Net change in fund balance	<u>\$ 70,756</u>	264,017	287,194
Fund balance at beginning of year		<u>1,020,149</u>	<u>732,955</u>
FUND BALANCE AT END OF YEAR		<u>\$ 1,284,166</u>	<u>\$ 1,020,149</u>

## **AGENCY FUNDS**

**Student Activity Funds** - to account for assets held by the District in a trustee capacity for student organizations and employees.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**FIDUCIARY FUNDS-AGENCY FUNDS-ACTIVITY FUNDS**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**YEAR ENDED JUNE 30, 2016**

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	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>Assets:</b>				
Cash and investments	<u>\$ 250,861</u>	<u>\$ 530,209</u>	<u>\$ 534,326</u>	<u>\$ 246,744</u>
<b>Liabilities:</b>				
Due to fiduciary organizations	<u>\$ 250,861</u>	<u>\$ 530,209</u>	<u>\$ 534,326</u>	<u>\$ 246,744</u>

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## **STATISTICAL SECTION (UNAUDITED)**

### **Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the District's most significant local revenue source of property tax.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment from which the District's financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental activities				
Net investment in capital				
assets	\$ 11,397,974	\$ 11,215,094	\$ (4,435,866)	\$ (2,250,277)
Restricted	7,233,309	10,470,545	13,467,911	13,445,210
Unrestricted	<u>(5,758,112)</u>	<u>(5,243,614)</u>	<u>15,750,332</u>	<u>20,751,713</u>
Total governmental activities				
net position	<u>\$ 12,873,171</u>	<u>\$ 16,442,025</u>	<u>\$ 24,782,377</u>	<u>\$ 31,946,646</u>

\*The District implemented GASB Statement No. 68 for the year ended June 30, 2015

Source of information: Annual Financial Statements

2012	2011	2010	2009	2008	2007
\$ 2,936,031	\$ (7,685,562)	\$ (9,407,182)	\$ 313,346	\$ 6,125,032	\$ 6,016,042
15,312,768	17,372,849	553,241	-	1,776,772	2,017,547
20,576,619	24,344,286	45,491,834	42,948,506	37,500,505	35,032,086
<u>\$ 38,825,418</u>	<u>\$ 34,031,573</u>	<u>\$ 36,637,893</u>	<u>\$ 43,261,852</u>	<u>\$ 45,402,309</u>	<u>\$ 43,065,675</u>

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**

	2016	2015	2014	2013
Expenses				
Governmental activities				
Instruction:				
Regular programs	\$ 29,584,831	\$ 25,880,415	\$ 26,363,364	\$ 24,590,320
Special programs	5,345,937	8,209,139	8,001,813	7,396,756
Other instructional programs	2,670,260	1,709,787	1,736,569	1,663,831
Support services:				
Pupils	3,182,062	3,016,051	3,457,760	3,001,267
Instructional staff	2,345,902	2,421,292	2,476,685	1,664,519
General administration	754,112	1,384,483	1,372,775	1,262,473
School administration	1,134,283	2,123,135	2,068,976	1,920,072
Business	973,647	1,989,391	1,740,253	1,745,154
Operations and maintenance	5,547,514	4,374,104	4,774,131	4,500,285
Transportation	2,051,758	2,045,148	2,006,664	1,938,283
Central	483,486	540,851	546,833	763,693
Other supporting services	2,492,572	1,166,472	297,219	175,849
Interest and fees	3,876,808	429,864	4,228,449	4,387,810
<b>Total governmental activities expenses</b>	<b>60,443,172</b>	<b>55,290,132</b>	<b>59,071,491</b>	<b>55,010,312</b>
Program revenues				
Governmental activities				
Charges for services				
Instruction:				
Regular programs	1,533,002	1,514,277	1,411,596	1,389,137
Special programs	9,512	9,390	4,506	4,611
Support services:				
Business	634,511	609,606	590,559	593,586
Operations and maintenance	123,924	69,392	106,026	67,061
Transportation	145,171	271,477	333,881	165,204
Operating grants and contributions	14,033,002	13,219,062	13,323,854	10,524,011
Capital grants and contributions	-	-	-	-
<b>Total governmental activities program revenues</b>	<b>16,479,122</b>	<b>15,693,204</b>	<b>15,770,422</b>	<b>12,743,610</b>
<b>Net revenue (expense)</b>	<b>(43,964,050)</b>	<b>(39,596,928)</b>	<b>(43,301,069)</b>	<b>(42,266,702)</b>
Governmental activities				
General revenues				
Taxes:				
Real estate taxes - general purpose	22,451,603	22,247,100	22,056,670	21,587,331
Real estate taxes - specific purpose	3,660,294	3,356,655	2,819,284	2,704,984
Real estate taxes - debt service	4,725,502	4,543,723	4,321,000	4,456,492
Federal and state aid not restricted to specific purposes	8,387,897	7,462,758	6,114,943	5,846,122
Investment earnings	39,818	130,610	78,550	80,853
Miscellaneous	1,130,082	910,248	746,353	712,148
<b>Total governmental activities general revenues</b>	<b>40,395,196</b>	<b>38,651,094</b>	<b>36,136,800</b>	<b>35,387,930</b>
Extraordinary gain	-	-	-	-
<b>Change in net position</b>	<b>\$ (3,568,854)</b>	<b>\$ (945,834)</b>	<b>\$ (7,164,269)</b>	<b>\$ (6,878,772)</b>

Source of information: Annual Financial Statements

	2012	2011	2010	2009	2008	2007
\$	23,281,907	\$ 22,261,401	\$ 25,182,258	\$ 21,075,916	\$ 18,275,636	\$ 16,412,279
	6,446,453	7,096,090	5,073,473	4,793,033	4,194,377	3,862,155
	1,531,271	1,339,435	812,481	1,002,082	764,300	635,012
	3,722,309	3,854,056	3,246,362	2,892,817	2,424,133	2,166,255
	2,519,444	2,490,733	2,484,364	1,706,295	1,095,757	1,057,228
	646,992	659,542	861,838	937,285	737,780	784,244
	1,748,804	1,803,883	1,817,453	1,644,636	1,585,975	1,486,792
	1,955,718	3,028,080	3,830,380	7,710,063	4,146,685	1,715,643
	4,091,312	4,120,360	6,856,544	4,221,276	3,693,995	4,273,137
	1,738,820	1,813,951	2,441,060	1,904,567	1,817,794	1,695,020
	543,747	654,226	744,137	677,031	703,653	510,237
	217,489	361,805	260,871	134,990	17,416	184,606
	3,856,286	3,748,783	1,700,214	2,722,768	2,611,616	1,723,824
	<u>52,300,552</u>	<u>53,232,345</u>	<u>55,311,435</u>	<u>51,422,759</u>	<u>42,069,117</u>	<u>36,506,432</u>
	1,494,641	1,306,162	1,282,590	1,182,303	1,224,216	1,057,153
	1,158	-	-	-	-	-
	719,747	707,073	724,171	813,362	794,643	758,534
	60,136	68,479	63,392	60,546	71,783	65,728
	155,806	154,372	137,710	136,482	122,746	125,968
	8,551,250	9,670,144	9,402,024	8,576,309	7,021,375	5,402,203
	-	-	-	54,167	228,992	537,581
	<u>10,982,738</u>	<u>11,906,230</u>	<u>11,609,887</u>	<u>10,823,169</u>	<u>9,463,755</u>	<u>7,947,167</u>
	<u>(41,317,814)</u>	<u>(41,326,115)</u>	<u>(43,701,548)</u>	<u>(40,599,590)</u>	<u>(32,605,362)</u>	<u>(28,559,265)</u>
	20,841,259	20,966,636	20,069,848	19,940,076	18,292,747	16,903,482
	2,669,416	2,092,266	2,178,782	1,996,676	2,029,488	1,833,926
	6,107,155	5,766,863	6,047,796	5,758,192	4,657,444	3,857,229
	6,628,093	8,595,246	7,664,508	7,992,013	7,435,082	7,733,201
	76,055	525,011	297,379	1,631,126	1,673,740	1,175,508
	672,857	773,773	819,276	1,141,050	853,495	1,622,188
	<u>36,994,835</u>	<u>38,719,795</u>	<u>37,077,589</u>	<u>38,459,133</u>	<u>34,941,996</u>	<u>33,125,534</u>
	<u>9,116,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>4,793,845</u>	<u>\$ (2,606,320)</u>	<u>\$ (6,623,959)</u>	<u>\$ (2,140,457)</u>	<u>\$ 2,336,634</u>	<u>\$ 4,566,269</u>

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	2016	2015	2014	2013
General Fund				
Nonspendable	\$ 96,517	\$ 143,601	\$ 162,401	\$ 671,121
Restricted	406,231	955,651	4,801,931	7,333,158
Unassigned	5,199,125	3,177,061	5,086,330	8,509,569
	<u>5,701,873</u>	<u>4,276,313</u>	<u>10,050,662</u>	<u>16,513,848</u>
All Other Governmental Funds				
Nonspendable	215,672	44,819	75,469	92,669
Restricted				
Special revenue funds	2,279,492	5,244,771	5,121,178	4,488,947
Capital project funds	1,825,381	1,561,364	1,850,179	1,172,549
Debt service funds	2,722,205	2,708,759	3,154,835	3,167,005
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 7,042,750</u>	<u>\$ 9,559,713</u>	<u>\$ 10,201,661</u>	<u>\$ 8,921,170</u>
General Fund				
Reserved				
Unreserved				
Total general fund				
All Other Governmental Funds				
Reserved				
Unreserved, reported in:				
Special revenue funds				
Capital project funds				
Debt service funds				
Total all other governmental funds				

Source of information: Annual Financial Statements

Note: Starting in fiscal year 2011, the Working Cash Account is reported in the General Fund. In 2011, the District implemented GASB Statement #54. Amounts prior to fiscal year 2011 have not been restated for GASB Statement #54.

2012	2011	2010	2009	2008	2007
\$ 146,731	\$ 129,582				
6,401,974	6,877,546				
11,349,805	16,896,692				
17,898,510	23,903,820				
252,430	322,105				
4,283,762	5,171,803				
657,597	1,764,455				
3,969,435	3,559,045				
(92,617)	(127,666)				
\$ 9,070,607	\$ 10,689,742				
		\$ 710,859	\$ 483,694	\$ 941,364	\$ 992,414
		17,061,186	20,798,728	20,804,537	21,080,803
		17,772,045	21,282,422	21,745,901	22,073,217
		450,320	807,697	835,408	1,025,133
		17,973,970	8,216,735	7,564,479	6,618,858
		4,957,378	3,910,185	24,242,469	964,991
		3,414,343	2,849,310	2,176,596	1,856,989
		\$ 26,796,011	\$ 15,783,927	\$ 34,818,952	\$ 10,465,971

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

Revenues	2016	2015	2014	2013
Local sources				
Taxes	\$ 32,063,095	\$ 30,148,478	\$ 29,061,572	\$ 29,499,575
Earnings on investments	39,818	130,610	78,550	80,853
Other local sources	3,367,624	3,876,724	3,780,103	2,884,499
Total local sources	35,470,537	34,155,812	32,920,225	32,464,927
State sources	19,989,559	18,035,790	16,444,939	14,538,162
Federal sources	1,920,198	1,849,354	2,406,676	1,167,071
Total revenues	57,380,294	54,040,956	51,771,840	48,170,160
Expenditures				
Current:				
Instruction	33,271,622	31,949,569	31,937,364	29,139,304
Supporting services	17,407,850	18,120,266	18,577,500	15,825,170
Community services	494,991	654,978	138,875	119,177
Nonprogrammed charges	1,749,524	1,601,076	1,630,638	1,556,015
Debt service				
Principal	3,503,412	3,705,692	3,262,352	4,934,268
Interest and other	1,988,909	2,201,852	2,114,286	2,194,542
Capital outlay	16,864	2,533,640	605,038	921,646
Total expenditures	58,433,172	60,767,073	58,266,053	54,690,122
Excess (deficiency) of revenue over expenditures	(1,052,878)	(6,726,117)	(6,494,213)	(6,519,962)
Other Financing Sources (Uses)				
Proceeds from debt issue and loans	-	-	-	-
Bonds issued at par	1,575,000	2,980,000	-	12,680,000
Loan proceeds	-	203,050	1,306,369	952,100
Payments to escrow agent	(1,613,525)	(2,878,624)	-	(8,990,263)
Premium on bonds issued	-	-	-	329,995
Interest on bonds issued	-	-	-	-
Transfers in	4,342,978	2,475,175	2,862,220	1,129,044
Transfers out	(4,342,978)	(2,475,175)	(2,862,220)	(1,129,044)
Sale of capital assets	-	5,394	5,149	14,031
Total other financing sources (uses)	(38,525)	309,820	1,311,518	4,985,863
Net change in fund balances	\$ (1,091,403)	\$ (6,416,297)	\$ (5,182,695)	\$ (1,534,099)
Debt service as a percentage of noncapital expenditures	10.08%	10.40%	9.48%	13.26%

Source of information: Annual Financial Statements

2012	2011	2010	2009	2008	2007
\$ 30,615,842	\$ 28,825,765	\$ 27,930,725	\$ 26,683,094	\$ 24,536,017	\$ 21,364,537
76,055	525,011	297,379	1,631,126	1,673,740	1,175,508
2,848,416	3,786,933	3,587,928	3,654,108	3,118,722	3,531,029
33,540,313	33,137,709	31,816,032	31,968,328	29,328,479	26,071,074
12,670,816	14,962,694	13,058,730	13,026,408	13,016,982	12,349,644
2,091,599	2,944,384	3,447,013	3,275,716	767,019	651,110
48,302,728	51,044,787	48,321,775	48,270,452	43,112,480	39,071,828
27,000,762	26,980,763	27,467,749	24,075,755	20,914,054	18,858,719
16,506,261	18,141,460	19,840,052	17,428,122	15,752,441	13,084,226
113,219	114,370	11,206	3,587	553	814
1,424,038	1,237,616	812,481	930,482	696,156	573,010
4,558,361	4,460,806	6,979,898	4,241,776	3,468,499	2,608,609
2,263,997	2,344,394	1,742,016	1,780,199	1,783,999	1,608,691
4,070,071	10,237,456	4,958,146	24,314,489	7,713,942	4,169,478
55,936,709	63,516,865	61,811,548	72,774,410	50,329,644	40,903,547
(7,633,981)	(12,472,078)	(13,489,773)	(24,503,958)	(7,217,164)	(1,831,719)
-	1,800,000	31,341,806	5,002,072	18,780,725	4,855,646
-	3,890,000	-	-	-	-
-	684,670	-	-	-	-
-	(3,896,530)	(10,911,166)	-	-	-
-	6,530	555,298	-	12,443,794	-
-	401	-	-	-	-
6,705,951	25,753,809	17,501,004	1,045,793	153,033	3,346,777
(6,705,951)	(25,753,809)	(17,501,004)	(1,045,793)	(153,033)	(3,346,777)
9,536	12,513	5,542	3,382	18,310	17,854
9,536	2,497,584	20,991,480	5,005,454	31,242,829	4,873,500
\$ (7,624,445)	\$ (9,974,494)	\$ 7,501,707	\$ (19,498,504)	\$ 24,025,665	\$ 3,041,781
13.15%	12.77%	15.34%	12.43%	12.33%	11.48%

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**EQUALIZED ASSESSED VALUATION AND**  
**ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN TAX LEVY YEARS**

Tax Levy Year	Equalized Assessed Valuation	Amount of Increase (Decrease) Over Previous Year	Percentage Increase (Decrease) Over Previous Year	Actual Estimated Value
2015	\$ 457,936,568	\$ 25,068,302	5.79%	\$ 1,373,809,704
2014	432,868,266	(5,697,777)	-1.30%	1,298,604,798
2013	438,566,043	(31,806,664)	-6.76%	1,315,698,129
2012	470,372,707	(49,353,400)	-9.50%	1,411,118,121
2011	519,726,107	(30,853,583)	-5.60%	1,559,178,321
2010	550,579,690	(28,908,079)	-4.99%	1,651,739,070
2009	579,487,769	20,847,539	3.73%	1,738,463,307
2008	558,640,230	36,181,492	6.93%	1,675,920,690
2007	522,458,738	66,508,302	14.59%	1,567,376,214
2006	455,950,436	455,950,436	14.00%	1,367,851,308

Components of  
Equalized Assessed  
Valuation

Tax Levy Year	Farm	Residential	Commercial	Total Equalized Assessed Valuation
2015	\$ 34,187,581	\$ 336,911,356	\$ 86,837,631	\$ 457,936,568
2014	33,202,458	317,378,626	82,287,182	432,868,266
2013	31,379,877	323,501,663	83,684,503	438,566,043
2012	31,421,166	351,200,671	87,750,870	470,372,707
2011	27,524,803	389,848,435	102,352,869	519,726,107
2010	31,938,437	419,702,801	98,938,452	550,579,690
2009	31,757,062	443,784,313	103,946,394	579,487,769
2008	30,535,406	432,995,627	95,109,197	558,640,230
2007	28,850,031	408,191,548	85,417,159	522,458,738
2006	27,107,904	356,060,879	72,781,653	455,950,436

Source of information: DeKalb County Levy, Rate, and Extension Reports for the years 2006 to 2015.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING**  
**GOVERNMENTS\***  
**LAST TEN FISCAL TAX YEARS**

Taxing District	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<i>OVERLAPPING GOVERNMENT:</i>										
DeKalb County	1.2364	1.2483	1.2013	1.0892	0.9694	0.9052	0.8539	0.8495	0.8449	0.8668
DeKalb County Forest Preserve District	0.0853	0.0876	0.0852	0.0797	0.0740	0.0700	0.0663	0.0678	0.0677	0.0548
Sycamore Township	0.1443	0.1502	0.1458	0.1344	0.1178	0.1061	0.1057	0.1072	0.1089	0.1193
Sycamore Township Road and Bridge	0.2922	0.3042	0.2953	0.2721	0.2386	0.2205	0.2197	0.2225	0.2257	0.2466
City of Sycamore	0.7775	0.7858	0.7643	0.7076	0.6395	0.6034	0.5726	0.5776	0.5997	0.6691
Sycamore Library District	0.2854	0.2878	0.2828	0.2542	0.2229	0.2005	0.1831	0.1845	0.1860	0.1988
Sycamore Park District	0.7798	0.8076	0.6174	0.5625	0.4953	0.4587	0.4074	0.4129	0.4162	0.4441
Kishwaukee Community College	0.6972	0.7123	0.7294	0.6416	0.5758	0.5601	0.5638	0.5468	0.5497	0.5435
Total overlapping rate (note)	4.2980	4.3838	4.1213	3.7413	3.3333	3.1245	2.9725	2.9688	2.9988	3.1430
Sycamore S.D. #427	6.7488	6.9796	6.7111	6.1323	5.7033	5.2705	4.9086	4.9428	4.7832	4.9490
Total Rate	<u>11.0468</u>	<u>11.3633</u>	<u>10.8324</u>	<u>9.8736</u>	<u>9.0366</u>	<u>8.3950</u>	<u>7.8811</u>	<u>7.9116</u>	<u>7.7820</u>	<u>8.0920</u>

The District is subject to the Property Tax Extension Limitation Act, which, in general, limits the increase in the amount of taxes to be extended to the lesser of 5% or the percentage increase in the consumer price index for the year preceding the levy

\*Tax rates are per \$100 of equalized assessed valuation

The Sycamore CUSD #427 tax rates are subject to the formula and restrictions of the Property Tax Extension Limitation Law for further explanation please see the Management Discussion and Analysis

Source of information: DeKalb County Clerk's office

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT LEVY YEAR AND EIGHT YEARS AGO**

Name of Taxpayer (1)	2015 Equalized Assessed Valuation	Rank	Percentage of Total 2015 Equalized Assessed Valuation (2)
Stone Prairie Corp.	\$ 5,524,133	1	1.21%
Ideal Industries	4,724,545	2	1.03%
Kae Ames, Inc.	2,808,097	3	0.61%
Kish Health Systems	2,694,470	4	0.59%
Oehlert Rentals LLC	1,832,963	5	0.40%
Rydell Mgmt Co LLC	1,610,637	6	0.35%
Jewel Food Stores, Inc.	1,572,422	7	0.34%
Ventas Realty Ltd. Partnership	1,538,744	8	0.34%
National Bank and Trust Co.	1,438,636	9	0.31%
Continental Custom Ingredients, Inc.	1,361,632	10	0.30%
Farm & Fleet of DeKalb, Inc.			
Youssi Rentals LLC			
Seymour of Sycamore, Inc.			
	<u>\$ 25,106,279</u>		<u>5.48%</u>

(1) Source of information: DeKalb and Kane County Clerk and Assessors offices.

(2) 2015 total assessed valuation for Sycamore Community Unit School District is \$457,936,568.

(3) 2007 total assessed valuation for Sycamore Community Unit School District is \$522,458,738.

Note: Principal property taxpayer information was not available for levy year 2006.

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2007 Equalized Assessed Valuation	Rank	Percentage of Total 2007 Equalized Assessed Valuation (3)
\$ 4,329,065	1	0.83%
3,424,111	3	0.66%
3,568,753	2	0.68%
-	n/a	0.00%
2,753,650	4	0.53%
-	n/a	0.00%
-	n/a	0.00%
1,770,897	7	0.34%
2,064,815	5	0.40%
1,731,838	9	0.33%
1,814,787	6	0.35%
1,589,302	8	0.30%
1,424,001	10	0.27%
<u>\$ 24,471,219</u>		<u>4.68%</u>

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHEDULE OF PROPERTY TAX RATES, EXTENSIONS AND COLLECTIONS**  
**LAST TEN TAX LEVY YEARS**

	2015	2014	2013	2012
<b>Rates extended:</b>				
Educational	3.5151	3.6583	3.6843	3.9055
Special education	0.6857	0.7317	0.6163	0.0441
Operations and maintenance	0.6248	0.6667	0.6699	0.5593
Transportation	0.4261	0.3769	0.2456	0.2248
Illinois municipal retirement/social security	0.3124	0.3334	0.3349	0.2952
Bond and interest	1.0342	1.0519	0.9979	0.9501
Fire prevention and safety	0.0625	0.0667	0.0670	0.0551
Facility leasing	0.0444	0.0474	0.0476	0.0491
Working cash	0.0437	0.0466	0.0476	0.0490
<b>Total rates extended</b>	<b>6.7488</b>	<b>6.9796</b>	<b>6.7111</b>	<b>6.1323</b>
<b>Property tax extensions:</b>				
Educational	\$ 16,070,775	\$ 15,818,005	\$ 16,138,645	\$ 18,118,593
Special education	3,134,866	3,163,686	2,699,629	204,590
Operations and maintenance	2,856,570	2,882,808	2,934,378	2,595,044
Transportation	1,948,027	1,629,795	1,075,970	1,043,130
Illinois municipal retirement/social security	1,428,468	1,441,533	1,467,275	1,369,406
Bond and interest	4,728,200	4,548,362	4,371,298	4,407,869
Fire prevention and safety	285,793	288,358	293,490	255,761
Facility leasing	202,995	204,821	208,465	227,276
Working cash	199,567	201,362	208,465	227,276
<b>Total levies extended</b>	<b>\$ 30,855,261</b>	<b>\$ 30,178,730</b>	<b>\$ 29,397,615</b>	<b>\$ 28,448,945</b>
Current year collections	16,211,718	15,763,843	15,286,068	14,661,207
Subsequent collections	-	14,396,275	14,079,148	13,974,457
<b>Total collections</b>	<b>\$ 16,211,718</b>	<b>\$ 30,160,118</b>	<b>\$ 29,365,216</b>	<b>\$ 28,635,664</b>
Percentage of current year collections	52.54%	52.23%	52.00%	51.54%
Percentage of subsequent collections	N/A	47.70%	47.89%	49.12%
<b>Percentage of total collections</b>	<b>52.54%</b>	<b>99.94%</b>	<b>99.89%</b>	<b>100.66%</b>

Note > Percentage of extensions collected may exceed 100% due to prior years collection amounts not broken down by year.

Tax rates are expressed in dollars per one hundred of assessed valuation.

Source of information: Dekalb and Kane County Levy, Rate and Extension Reports for 2006-2015

(1) Includes collections of prior year levies not identified by levy year by the tax collector.

	2011	2010	2009	2008	2007	2006
	3.3758	3.2580	2.9341	3.0135	2.9638	3.1097
	0.0394	0.0384	0.0333	0.0382	0.0359	0.0373
	0.4992	0.4947	0.4674	0.4616	0.4491	0.4656
	0.2007	0.1771	0.1740	0.1696	0.1796	0.1863
	0.2634	0.2044	0.1993	0.1838	0.1999	0.1655
	1.1778	1.0544	1.0475	1.0293	0.8918	0.8450
	0.0492	0.0004	0.0050	0.0017	0.0091	0.0466
	0.0489	0.0428	0.0430	0.0416	0.0449	0.0466
	0.0489	0.0004	0.0050	0.0035	0.0091	0.0466
	<u>5.7033</u>	<u>5.2705</u>	<u>4.9086</u>	<u>4.9428</u>	<u>4.7832</u>	<u>4.9490</u>
\$	17,317,438	\$ 17,937,834	\$ 17,003,102	\$ 16,834,236	\$ 15,484,375	\$ 14,178,872
	201,859	211,422	192,969	213,456	187,719	169,842
	2,560,870	2,723,020	2,706,741	2,578,739	2,346,153	2,123,042
	1,029,406	975,242	1,008,367	947,398	938,492	849,208
	1,351,356	1,125,220	1,154,802	1,026,780	1,044,343	770,052
	6,041,881	5,810,956	6,078,635	5,743,987	4,659,184	3,852,599
	252,338	2,037	29,779	15,816	47,439	212,335
	250,849	235,537	249,354	232,506	234,635	212,336
	250,849	2,037	29,779	19,719	47,439	196,835
\$	<u>29,256,846</u>	<u>\$ 29,023,305</u>	<u>\$ 28,453,528</u>	<u>\$ 27,612,637</u>	<u>\$ 24,989,779</u>	<u>\$ 22,565,121</u>
	15,133,977	14,685,610	14,291,050	13,715,860	12,409,371	11,331,578
	14,426,221	14,308,905	13,958,690	13,739,900	12,662,715	11,223,443
\$	<u>29,560,198</u>	<u>\$ 28,994,515</u>	<u>\$ 28,249,740</u>	<u>\$ 27,455,760</u>	<u>\$ 25,072,086</u>	<u>\$ 22,555,021</u>
	51.73%	50.60%	50.23%	49.67%	49.66%	50.22%
	49.31%	49.30%	49.06%	49.76%	50.67%	49.74%
	<u>101.04%</u>	<u>99.90%</u>	<u>99.28%</u>	<u>99.43%</u>	<u>100.33%</u>	<u>99.96%</u>

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Tax Levy Year	General Obligation Bonds	Percentage of Actual Property Value	Debt Certificates	Other Loans	Total Debt	Percentage of Personal Income
2016	2015	\$ 56,858,029	4.14%	\$ -	\$ 1,055,853	\$ 57,913,882	8.56%
2015	2014	59,698,029	4.54%	-	1,719,265	61,417,294	9.41%
2014	2013	60,891,145	4.32%	-	2,196,907	63,088,052	9.25%
2013	2012	63,531,145	4.50%	-	1,512,890	65,044,035	9.23%
2012	2011	62,874,474	4.03%	-	1,200,059	64,074,533	7.25%
2011	2010	66,679,474	4.04%	-	1,953,420	68,632,894	7.88%
2010	2009	68,514,474	3.94%	-	1,994,556	70,509,030	8.26%
2009	2008	49,261,877	2.94%	1,820,000	3,859,228	54,941,105	6.50%
2008	2007	49,086,877	3.13%	2,095,000	4,038,884	55,220,761	6.24%
2007	2006	33,860,000	2.48%	2,350,000	2,658,583	38,868,583	4.70%

Source of information: Annual Financial Statements

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUATION**  
**AND GENERAL BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Tax Levy Year	General Bonded Debt	Less Amount Available in Debt Service Fund	Net Bonded Debt	Equalized Assessed Valuation	Percentage of General Bonded Debt to Assessed Valuation	Estimated Population	General Bonded Debt Per Capita
2016	2015	\$ 56,858,029	\$ 2,838,451	\$ 54,019,578	\$ 457,936,568	12.42%	22,208	2,560
2015	2014	59,698,029	2,753,578	56,944,451	438,566,043	13.61%	22,505	2,653
2014	2013	60,891,145	3,230,304	57,660,841	470,372,707	12.95%	22,880	2,661
2013	2012	63,531,145	3,259,674	60,271,471	550,579,690	13.51%	22,834	2,782
2012	2011	62,874,474	4,221,435	58,653,039	558,640,230	11.42%	22,608	2,781
2011	2010	66,679,474	3,880,720	62,798,754	522,458,738	11.51%	22,384	2,979
2010	2009	68,514,474	3,864,068	64,650,406	579,487,769	11.82%	22,053	3,107
2009	2008	49,261,877	3,657,007	45,604,870	558,640,230	8.82%	21,943	2,245
2008	2007	49,086,877	2,983,559	46,103,318	522,458,738	9.40%	21,691	2,263
2007	2006	33,860,000	2,672,608	31,187,392	455,950,436	7.43%	21,162	1,600

Source of information: Annual Financial Statements

Note: Population estimates were based on official U.S. Census, Local, City, Village and School data.

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**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT**  
**JUNE 30, 2016**

Jurisdiction overlapping	Bonded indebtedness		Applicable to District		
			Percentage	Amount	
DeKalb County	\$	-	(1)(2)	26.121%	\$ -
Kane County		-	(2)	0.051%	-
Kane County Forest Preserve		150,420,000	(2)(3)	0.051%	76,714
City of DeKalb		26,455,000	(4)	0.833%	220,370
City of Sycamore		5,855,000		94.035%	5,505,749
DeKalb Park District		1,200,000	(2)	0.820%	9,840
Sycamore Park District		1,151,530	(2)	94.451%	1,087,632
Elgin Community College #509		181,805,261	(3)	0.010%	18,181
Kishwaukee Community College #523		50,212,122	(2)(3)	23.503%	11,801,355
Total overlapping debt					18,719,841
Sycamore CUSD#427					56,858,029
Total overlapping and direct bonded debt					\$ 75,577,870

- (1) Includes Public Building Commission debt secured by lease rentals payable from ad valorem taxes levied on all taxable property within the county. The County considers the PBC bonds applicable to the County to be self-supporting.
- (2) Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation. Excludes other self-supporting bonds.
- (3) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.
- (4) Excludes IEPA loans and contracts

The percentage of overlapping debt was computer by determining the portion of the EAV of the taxing unit contiguous to the District

Source of information: DeKalb and Kane County Clerk's office.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt limit	63,195,246	59,735,821	\$ 60,522,114	\$ 64,911,434
Total net debt applicable to limit	<u>54,019,578</u>	<u>56,944,451</u>	<u>57,660,841</u>	<u>60,271,471</u>
Legal debt margin	<u>\$ 9,175,668</u>	<u>\$ 2,791,370</u>	<u>\$ 2,861,273</u>	<u>\$ 4,639,963</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>85.48%</u>	<u>95.33%</u>	<u>95.27%</u>	<u>92.85%</u>

Legal debt margin calculation for fiscal year June 30, 2016

Assessed valuation of taxable properties for the tax year 2015	\$ 457,936,568
Rate	<u>13.8%</u>
Bonded debt limit	<u>63,195,246</u>
Debt subject to limitation:	
General obligation bonds payable	56,858,029
Less Debt Service Fund balance	<u>(2,838,451)</u>
Net debt outstanding subject to limitation	<u>54,019,578</u>
Legal bonded debt margin at June 30, 2016	<u>\$ 9,175,668</u>

Source of information: District records.

2012	2011	2010	2009	2008	2007
\$ 71,722,203	\$ 75,979,997	\$ 79,969,312	\$ 77,092,352	\$ 72,099,306	\$ 62,921,160
58,653,039	62,798,754	64,650,406	47,424,870	49,198,318	33,537,392
\$ 13,069,164	\$ 13,181,243	\$ 15,318,906	\$ 29,667,482	\$ 22,900,988	\$ 29,383,768
81.78%	82.65%	80.84%	61.52%	68.24%	53.30%

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**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**DEMOGRAPHIC AND MISCELLANEOUS STATISTICS**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Population	Personal Income ( <i>thousands of dollars</i> )	Per Capita Personal Income**	Unemployment Rate (1)
2016	22,208 *	\$ 676,367	\$ 30,456	5.0% ***
2015	22,505 *	652,960	29,014	5.6%
2014	22,880	682,304	29,821	7.7%
2013	22,834	704,817	30,867	8.6%
2012	22,608	883,933	43,524	9.0%
2011	22,384	870,870	42,670	9.9%
2010	22,053	853,794	41,834	10.4%
2009	21,943	845,341	41,419	11.3%
2008	21,691	885,145	40,807	6.7%
2007	21,162	826,376	39,050	4.3%

\*Estimated. US Census Bureau's American Community Survey 5 year average (2010-2014) for Illinois School District's Total Population.

\*\*2014 Per Capita Income in 2013 dollars (average 2009-2013) for the City of Sycamore as reported by US Census Bureau QuickFacts

\*\*2015 Per Capita Income in 2013 dollars (average 2010-2014) for the City of Sycamore as reported by US Census Bureau QuickFacts

\*\*\*2014 Unemployment Rate for the City of Sycamore obtained from Illinois Department of Employment Security

\*\*\*2015 Unemployment Rate for the City of Sycamore obtained from Illinois Department of Employment Security

(1) - Source of information: DeKalb County Economic Development Council.

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND EIGHT YEARS AGO**

Employer	2016		Percentage of Total District Employment
	Employees	Rank	
Northern Illinois University	4,648	1	17.14%
Kish Health System	1,200	2	4.43%
DeKalb CUSD #428	870	3	3.21%
Sycamore CUSD #427	570	4	2.10%
Sonoco Alloyd	500	5	1.84%
Walmart Superstore	500	5	1.84%
3M Co	480	7	1.77%
Johnson Controls, Inc.	355	8	1.31%
Ideal Industries	350	9	1.29%
Nestle USA, Inc.	250	10	0.92%
Sycamore School District			
DeKalb County Government			
Nicor			
Sycamore Kindred Hospital			
The National Bank & Trust Co.			
The Suter Co., Inc.			
Auto Meter Products, Inc			
Driv-Lok, Inc.			
Total	9,723		

Note: 2007 information not available, as a result 2008 was used  
N/A - information not available

Sources of information: 2008 DeKalb County records  
2016 Illinois Manufactureers Director, 2016 Illinios Service Directory,  
ReferenceUSA.com. Illinois Department of Employment Security

2008		
Employees	Rank	Percentage of Total District Employment
		N/A
300	4	5.93%
650	1	12.86%
		N/A
520	2	10.29%
400	3	7.91%
285	5	5.64%
210	6	4.15%
200	7	3.96%
200	8	3.96%
200	9	3.96%
180	10	3.56%
<hr/>		
3,145		

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**NUMBER OF FULL-TIME EMPLOYEES**  
**LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012
<b>Administration:</b>					
Superintendent	1	1	1	1	1
Asst. supt./business mgr.	1	1	1	1	1
Directors/managers	2	3	3	3	3
Principals and assistants	12	12	12	11	11
Coordinators	-	-	-	1	1
Total administration	<u>16</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>
<b>Instruction:</b>					
<b>Teachers:</b>					
Special Education Pre-K	2	2	2	2	2
K-5	69	67	67	71	73
6-8	44	44	42	39	36
9-12	47	51	46	45	49
Reading	8	12	10	9	11
Bilingual	3	3	10	3	3
Special education	36	37	38	36	29
Speech/language	6	6	6	4	4
Art	5	6	6	5	5
Music	9	12	10	10	8
PE	18	19	19	18	18
Children at risk	-	-	-	1	1
Technology	6	7	7	6	7
Academic advisors	5	5	5	5	5
Librarian	1	1	1	1	1
Psychologists and assistants	4	4	4	3	5
Social workers	8	8	8	6	6
Nurses and assistants	5	5	4	5	5
Vision	1	1	1	1	1
18-21 Program	1	1	1	1	1
Total instruction	<u>278</u>	<u>291</u>	<u>287</u>	<u>271</u>	<u>270</u>
<b>Other supporting staff:</b>					
<b>Teacher aides:</b>					
Teaching assistant	1	-	-	-	-
Reading	7	7	8	10	6
Preschool/kindergarten	4	4	4	4	-
Bilingual	1	1	1	1	1
Special education	51	70	66	53	53
Children at risk	3	4	-	2	2
Learning center	5	6	6	6	6
Clerical/health aides	7	7	7	6	5
Trainer	1	1	1	1	1
Bookkeepers	3	3	4	4	4
Secretaries	24	26	28	27	30
Data processing/technology	9	7	7	6	8
Security Assistant	5	5	5	3	2
Building receptionists	8	9	7	3	4
Lunchroom supervisors	20	21	22	19	19
After School Program	1	-	-	-	-
Transportation	42	51	42	42	45
Engineers, custodians & maintenance	34	36	39	39	38
Total support staff	<u>226</u>	<u>258</u>	<u>247</u>	<u>226</u>	<u>224</u>
Total staff	<u>520</u>	<u>566</u>	<u>551</u>	<u>514</u>	<u>511</u>

Source of information: District records

2011	2010	2009	2008	2007
1	1	1	1	1
2	2	2	2	2
3	4	3	3	2
11	11	9	9	9
1	2	1	1	1
18	20	16	16	15

2	2	2	-	-
75	77	72	71	65
39	37	37	38	35
49	49	45	46	48
11	12	8	8	5
3	2	2	2	1
29	30	31	32	32
4	4	5	4	3
6	6	6	6	6
9	9	11	9	9
18	18	19	21	17
1	1	1	1	-
7	7	6	4	2
5	5	5	5	5
1	1	2	2	2
4	6	5	4	3
6	6	6	5	5
5	6	8	8	8
1	1	1	-	-
1	1	1	1	1
276	279	273	267	246

-	9	1	-	-
2	7	5	3	5
-	-	-	3	3
1	2	2	2	2
66	75	72	69	69
2	2	2	1	1
7	7	6	6	6
6	6	5	5	5
1	1	1	1	1
5	5	5	5	4
31	31	26	27	23
8	8	6	7	7
3	4	4	3	3
6	6	5	-	-
18	27	22	22	20
-	-	-	-	-
45	49	49	49	51
37	36	33	35	35
238	274	243	237	234
532	573	532	521	495

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**OPERATING INDICATORS BY PROGRAM**  
**LAST TEN FISCAL YEARS**

	2016	2015	2014	2013
<b>Instruction</b>				
Total enrollment	3,776	3,759	3,780	3,721
Regular	3,235	3,223	3,255	3,245
Special Ed	541	536	525	476
<b>Support services- pupil</b>				
Percentage of student with disabilities	14%	14%	14%	15%
Percentage of limited english proficient students	2%	3%	3%	3%
<b>School administration</b>				
Student attendance rate	94.9%	95.3%	95.1%	95.7%
<b>Fiscal</b>				
Purchase orders processed	341	431	372	381
Nonpayroll checks issued	2,929	3,028	3,071	3,159
<b>Maintenance</b>				
District square footage maintained by custodians and maintenance staff	845,819	845,819	845,819	845,819
District acreage maintained by grounds staff	98	98	98	98
<b>Transportation</b>				
Average students transported daily	2,860	2,382	2,500	2,442
Average daily bus stops	662	674	702	652

Source of information: District records.

2012	2011	2010	2009	2008	2007
3,834	3,788	3,800	3,781	3,680	3,566
3,413	3,358	3,376	3,403	3,283	3,162
421	430	424	378	397	404
12%	11%	11%	10%	11%	11%
3%	3%	2.9%	2%	2%	2%
11	11	20	16	15	15
95.3%	94.5%	95.4%	94.0%	93.8%	92.4%
338	401	310	361	360	357
3,147	3,230	3,486	3,473	3,565	3,392
845,819	845,819	845,819	722,680	698,000	682,425
98	98	98	82	82	82
2,806	2,330	2,337	2,291	2,523	2,278
625	687	690	595	585	576

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012
<b>Sycamore High School</b>					
Square feet	329,481	329,481	329,481	329,481	329,481
Capacity (students)	1,800	1,800	1,800	1,800	1,800
Enrollment	1,195	1,175	1,175	1,174	1,214
<b>Sycamore Middle School</b>					
Square feet	148,851	148,851	148,851	148,851	114,851
Capacity (students)	1,200	1,200	1,200	1,200	1,100
Enrollment	910	913	913	871	845
<b>West Elementary School</b>					
Square feet	55,100	55,100	55,100	55,100	55,100
Capacity (students)	367	367	367	367	367
Enrollment	274	291	291	297	294
<b>Southeast Elementary School</b>					
Square feet	65,520	65,520	65,520	65,520	65,520
Capacity (students)	475	475	475	475	475
Enrollment	333	323	323	323	351
<b>North Elementary School</b>					
Square feet	53,400	53,400	53,400	53,400	53,400
Capacity (students)	389	389	389	389	389
Enrollment	286	281	281	291	318
<b>South Prairie Elementary School</b>					
Square feet	68,175	68,175	68,175	68,175	68,175
Capacity (students)	497	497	497	497	497
Enrollment	284	297	297	299	293
<b>North Grove Elementary School</b>					
Square feet	91,666	91,666	91,666	91,666	91,666
Capacity (students)	658	658	658	658	658
Enrollment	453	452	452	466	464

Source of information: District records.

2011	2010	2009	2008	2007
329,481	329,481	329,481	329,481	329,481
1,800	1,800	1,800	1,800	1,800
1,161	1,167	1,177	1,160	1,153
114,851	114,851	114,851	114,851	114,851
950	950	950	950	950
859	854	855	846	782
55,100	55,100	55,100	47,600	47,600
367	367	367	417	417
305	321	363	330	334
65,520	65,520	65,520	51,440	51,440
475	475	475	408	408
341	354	450	450	442
53,400	53,400	53,400	50,300	50,300
389	389	389	372	372
329	326	437	444	429
68,175	68,175	68,175	68,175	52,600
497	497	497	497	406
288	298	463	450	417
91,666	91,666			
658	658			
470	469			

**SYCAMORE COMMUNITY UNIT SCHOOL DISTRICT NO. 427**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Expenses (1)	Average Daily Attendance	Net Operating Expenditures per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio	Student Attendance Percentage
2016	\$ 39,159,456	3,633	\$ 10,779	-10.02%	278	13.07	94.86%
2015	43,016,222	3,591	11,979	9.41%	291	12.34	95.26%
2014	39,274,240	3,587	10,949	-4.23%	287	12.50	95.12%
2013	40,690,571	3,559	11,433	8.78%	268	13.28	95.65%
2012	37,638,913	3,581	10,511	-6.50%	267	13.41	93.46%
2011	40,261,283	3,581	11,242	9.63%	273	13.12	94.54%
2010	37,185,722	3,627	10,254	10.92%	276	13.14	95.43%
2009	32,811,804	3,549	9,245	-3.76%	270	13.15	93.87%
2008	33,316,830	3,468	9,606	0.04%	266	13.04	93.77%
2007	31,627,288	3,294	9,601	#DIV/0!	245	13.44	92.36%

Source of information: District records.

(1) Total allowance for per capita tuition computation